

FIRST 100 DAYS / A POLICY DEPARTURE

POLITICAL NOTES

Passport Search on Clinton: Now the Tapes

WASHINGTON — The independent counsel Joseph E. diGenova, who is investigating the pre-election search of State Department documents for information on Bill Clinton, has obtained access to the backup tape of the master electronic-message system of the Bush White House covering the presidential campaign period, according to informed sources.

The Clinton White House has also agreed to isolate for his use the electronic memories of the personal computers of Bush White House personnel who may have been involved in the affair, the sources said.

Mr. diGenova took the unusual action not because he knew of "to preserve evidence" for later review and not because he knew of specific incriminating messages, the sources said. He also asked for and got control over relevant electronic records at the State Department as part of a broader request for access to department personnel and records, the sources said.

Bush administration officials earlier this month had been prevented from destroying White House computer records by U.S. District Judge Charles R. Richey, who ruled that the electronic files should be preserved. The White House had contended that the federal statute requiring preservation of presidential records did not apply to computer backup tapes.

Mr. diGenova is investigating whether Janet G. Mullins, former assistant to Mr. Bush for political affairs, and others at the White House or the State Department broke any criminal laws in relation to the Sept. 30 and Oct. 1 review of passport and consular files on Mr. Clinton and his mother, Virginia Blythe Kelley. (WP)

For Stephanopoulos, a Long First Day on Job

WASHINGTON — It was Opening Day for George Stephanopoulos, the cool and cautious presidential spokesman, facing the heavy hitters of the news media in the White House briefing room. To add to the sense of drama, the encounter was carried live on CNN.

It was not pretty. Mr. Stephanopoulos was hammered for 27 long minutes with no relief in sight during his first day on the job Thursday. The communications director lost his control early, and the crowd of reporters even jeered at one point.

Mr. Stephanopoulos had flawlessly handled dozens of briefings in Little Rock, Arkansas, but that was during exhibition season. His client was now President Clinton, and the standard equivocations sounded less convincing.

While Mr. Stephanopoulos was never visibly rattled, the sight of this featherweight 31-year-old behind the lectern was jarringly different from that of the portly bulk of Marlin Fitzwater, 50, spokesman for both George Bush and Ronald Reagan. Viewers rarely saw Mr. Fitzwater fencing with reporters because of a longtime ban on television coverage of the briefings, which was apparently lifted.

Much of the hostile questioning concerned Attorney General-designate Zoë Baird and her hiring of illegal immigrants. Mr. Stephanopoulos was in the position of trying to voice support for Ms. Baird without being enthusiastic. (WP)



George Stephanopoulos during his first White House shift.

Don't Forget Perot Vota, Party Is Warned

WASHINGTON — Democrats revealed in self-congratulation as they elected their new party chairman, David C. Wilhelms.

Then they got a stern warning that the November election result should not be taken as a mandate for governing, and were reminded of the raw nerve that Ross Perot touched in America during 1992. "You all know that Bill Clinton is enormously popular," said Stan Greenberg, the party pollster. "Just remember George Bush was enormously popular." The Democrats, he said, should not ignore the skeptical voters who backed Mr. Perot after he popped off on a TV show that he would run for president if he got on all 50 state ballots.

"I'm not saying we are going to have to go down the Perot agenda and go down the checklist and say that is our checklist," Mr. Greenberg said. "But these are voters who are particularly distrustful of politics, distrustful of parties, alienated from the system, think their government has tied to them, think they've raised their taxes without delivering anything to them. And we have a burden to bring those voters over. I view that as our primary task." (NYT)

Quote-Unquote

Zoë Baird, writing to President Bill Clinton and asking him to withdraw her nomination for attorney general: "I am surprised at the extent of the public reaction, but face the reality that this situation affects my ability to achieve the goals we both have for the Department of Justice." (AP)

Away From Politics

• Navy Lieutenant Paula Coughlin, who says she was sexually assaulted by drunk naval pilots last year in Las Vegas, is suing the pilots' association and the hotel where the incident took place. She is one of at least 26 women who say they were grabbed, fondled and sexually assaulted by members of the Tailhook Association at its convention in September 1991.

• The Treasury Department fined 10 casinos in Atlantic City, New Jersey, \$2.48 million for alleged civil violations of the law designed to prevent money laundering. The department accused the casinos of the "willfully failing to report" currency transactions over \$10,000 to the Internal Revenue Service as required by the Bank Secrecy Act.

• Signs of nicotine were found in all 800 of the first people tested in a large federal study of exposure to tobacco smoke, whether they had smoked or not. "We really weren't expecting that," said Dr. James Pirkle of the Centers for Disease Control and Prevention. The facility is testing 23,000 Americans for cotinine, a byproduct of nicotine found in the blood. The first 800 tested all showed some cotinine.

• California's seventh-largest bank, the Japanese-controlled Sumitomo Bank of California, pledged to make more than \$500 million in home and community development loans in poor Los Angeles neighborhoods in the next 10 years.

• Pan Am agreed to pay \$100,000 to settle a lawsuit accusing airline security agents of detaining an Iranian-born American during the Gulf War because of his ancestry. The settlement will be shared by the passenger, Mohammed Ghonoodian, the American Arab Anti-Discrimination Committee and the American Civil Liberties Union.

• Said Lucas Gutentag of the ACLU's Immigrants' Rights Project, said Lucas Gutentag taken to Fairfax High School in Los Angeles by a 15-year-old student who fired a handgun, the police said. The gun killed one student and wounding a second, the police said. The gun fired when the youth reached into his book bag.

• The Nuclear Regulatory Commission has suspended the license of Oncology Services Inc. of Harrisburg, Pennsylvania, to use radioactive metal owned by the company accidentally left a siver of radioactive metal inside the body of an 82-year-old woman in November, apparently causing her death five days later. (AP, NYT)

Joint Chiefs Challenge Clinton on Gay Policy

By Eric Schmitt
New York Times Service

WASHINGTON — In an angry challenge to the administration's promise to lift the ban on homosexuals in the military, the Joint Chiefs of Staff are trying to persuade President Bill Clinton to reverse his campaign pledge, senior military officials said Friday.

Defense Secretary Les Aspin's first meeting with the Joint Chiefs — the nation's six senior officers — was dominated Thursday by an emotional, two-hour discussion of their concerns that repealing the ban would wreck morale, undermine recruiting and increase the risk of AIDS to heterosexual troops, senior officers said.

The chiefs are to meet with Mr. Clinton on Monday to voice their opposition to the administration's plan to repeal the restrictions in a two-step process. Under the plan, Mr. Clinton would delay issuing an executive order lifting the ban for several months; in the meantime, the military would be directed less formally to suspend enforcement of the ban.

Although not quite defying the president, the Joint Chiefs' visceral opposition contrasts with a slightly more conciliatory tone in public statements that several of them made in December.

"The chiefs feel they are in the position to convince president that this would be the wrong decision," said a senior aide to one of the service heads.

The firm support of the Joint Chiefs is critical for successfully carrying out the new policy. In the military chain of command, officers and enlisted personnel take their cues on issues such as sexual harassment and racial discrimination from the example set by their superiors.



Chelsea Clinton, the president's daughter, and friends during a surprise visit to the Hard Rock Cafe.

Security Panel's Base Widened

By Don Oberdorfer
Washington Post Service

WASHINGTON — President Bill Clinton, in his first foreign policy action, signed a directive setting up a national security decision-making system with a broader economic emphasis than ever before. Borrowing from the Bush administration, Mr. Clinton approved three levels of deliberative committees under the National Security Council, the main interagency body for foreign and defense decisions.

The principal innovation is the addition to the National Security Council of Treasury Secretary Lloyd Bentsen as well as Robert E. Rubin, staff chief of the new White House Economic Council, and Madeleine K. Albright, who has been dominated to be ambassador to the United Nations.

The White House spokesman, George Stephanopoulos, who announced the addition of Mr. Rubin and Mrs. Albright to the National Security Council on Thursday, said this indicated Mr. Clinton's resolve to make sure that economic dimensions are at "the center of our national security policy."

An administration official familiar with Mr. Clinton's order said it envisioned a close coordination between the National Security Council and the Economic Council, which originally was frequently referred to as an "economic security council" along security council lines.

The deputy staff director of the National Security Council, Samuel R. Berger, will join committees of the Economic Council when it is considering international subjects, and the Economic Council's deputy staff chief will join committees of the National Security Council when it is considering issues with economic aspects, the official said.

The National Security Council, which was established in 1947, is chaired by the president and has three other statutory members — the vice president, the secretary of state and the secretary of defense. In addition, the chairman of the Joint Chiefs of Staff and the director of central intelligence are statutory advisers. In practice, presidents can add or omit officials in meetings of this innermost national security body.

Mr. Clinton's order establishes a principal's committee of the main security council members to deal with security issues before they go to formal security council meetings; a deputies committee headed

by Mr. Berger and including deputy chiefs of key agencies; and working groups on a range of medium-term questions, to be headed by officials from departments or agencies involved in the issue.

At times in the past, foreign and defense decision-making has been hampered by disputes among senior officials over power and prerogatives. In one episode, President Ronald Reagan on his first day in office refused to sign the directive drawn up by Secretary of State Alexander M. Haig Jr. for a decision-making system that gave Mr. Haig the largest share of power.

This time, top officials are vowing to avoid turf disputes. Secretary of State Warren M. Christopher said Thursday that he had talked with Defense Secretary Les Aspin and the national security adviser, W. Anthony Lake, about early plans for decision-making.

"Fortunately, we happen to be old friends and colleagues, and I think it will be easy for us to get into a working relationship," Mr. Christopher said.

Quayle's Panel Shown the Door

The Associated Press

WASHINGTON — Vice President Al Gore said Friday that the abolition of the Council on Competitiveness would thwart special interests that used the rule-reviewing body "as a backdoor to avoid the law."

Established in 1986 and most recently led by former Vice President Dan Quayle, the council reviewed — and sometimes blocked — government regulations seen as a hindrance to big business. Critics had claimed that the administration used the council to restrict regulations protecting the environment, health and worker safety.

President Bill Clinton abolished the council Thursday, and Mr. Gore discussed the action in a staff meeting Friday. He said an existing review process under the Office of Management and Budget would make sure businesses were not burdened by federal regulations.

Clinton Overturns Several Republican Curbs on Abortion

By Ann Devroy
Washington Post Service

WASHINGTON — In a sharp break with a decade of Republican rule, President Bill Clinton on Friday overturned a series of restrictions on abortion 20 years to the day after the Supreme Court legalized the procedure.

As anti-abortion protesters marched outside the White House, Mr. Clinton moved to undo executive branch actions that former Presidents Ronald Reagan and George Bush had taken to limit abortion.

"Our vision should be of an America where abortion is safe and legal but rare," Mr. Clinton said.

At a televised Oval Office ceremony, the president:

- Lifted restrictions on abortion counseling at federally funded clinics that had come to be known as the "abortion gag rule."
- Removed restrictions on federally sponsored research on the medical use of fetal tissue.
- Ended restrictions on United Nations population programs that had prevented funds for programs that included information or counseling on abortion.
- Returned to overseas U.S. military hospitals the right to perform abortions.
- Ordered the federal government to review the Bush-era ban on the private importation of RU-486, the French abortion pill.

The actions, two days after Mr. Clinton took office, fulfill a campaign pledge to pro-abortion rights groups although the president portrayed his moves as ones that return medical decisions to women and their counselors, not as ones that suggest he is pro-abortion.

The actions amount to virtually everything a president on his own could do to remove restrictions that prevented women, in large measure poor women, from obtaining abortions.

Mr. Clinton's actions were hailed by abortion-rights activists, scientific researchers, population-control experts and a range of other groups that had fought limits for 12 years. They were attacked by the anti-abortion movement as a capitulation to pro-abortion pressure groups that want no restrictions at all on abortion.

The statements in response to the initiatives exemplified the different planes on which the abortion argument is being waged: Neither

politicians nor abortion-rights activists want to be portrayed as backing abortion, only backing women's rights to choose appropriate medical care. Abortion opponents want the issue to be portrayed as one of opening the floodgates to abortion on demand.

Mr. Clinton's moves, said Eleanor Smeal, president of the Feminist Majority Foundation, signal "the end of an era of medical McCarthyism" in which Republican ideology "interfered with the conduct of scientific research and medicine."

That group and others said they would mount a pressure campaign to force Hoechst AG, manufacturer of the abortion pill, to bring it into the United States. The firm had said it would do so if the hostile political climate over abortion changed.

Wanda Franz, president of the National Right to Life Committee, said Mr. Clinton's actions amounted to the federal government's "promoting the use of abortion as birth control," and thereby increasing abortions at home and around the world.

Mr. Bush, under pressure from the conservative wing of his party, had moved even beyond Ronald Reagan in seeking to eliminate from the federal government any action that could be perceived as promoting or encouraging abortion.

Back to Roe v. Wade

The White House spokesman, George Stephanopoulos, said that President Clinton wanted to make sure that health policy decisions "are taken away from this great abortion debate." The Associated Press reported.

"He wants to make sure that the federal government sticks with Roe v. Wade," he said, referring to the Supreme Court decision 20 years ago that made abortion a constitutional right.

In that decision, the court ruled, 7 to 2, that state laws making abortion a crime infringed upon the 14th Amendment's due process guarantee of personal liberty, which, the majority said, protects a woman's decision whether to have a child.

Since 1973, more than 22 million legal abortions have been performed in the United States, with a current annual count estimated at 1.6 million.

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To be eligible, entries must have been published during 1992 in English language newspapers or journals and must, in the opinion of the judging panel, have made an outstanding contribution towards the greater understanding and promotion of national or international political issues.

The 1993 Memorial prize, which is £5,000, will be presented in July at a reception jointly hosted by RTZ and the Royal Institute of International Affairs.

The competition is funded and administered by RTZ to whom all entries should be sent. Full details and entry forms are available from: The Administrator, The RTZ David Watt Memorial Prize, The RTZ Corporation PLC, 6 St James's Square, London SW1Y 4LD.

Closing date for entries is 26th March 1993.

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Herald INTERNATIONAL Tribune

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Bosnia at Clinton's Door

Circumstances have conspired to confront Bill Clinton and especially his secretary of state, Warren Christopher, with the question of how or perhaps even whether to support the Bosnia peace plan being put forward by the man who was Mr. Christopher's Carter-era State Department chief, Cyrus Vance.

Ordinarily, and especially in this new day of the United Nations, the United States would be rendering vigorous support to a UN regional initiative. But the effort by Mr. Vance for the United Nations and by his British colleague, David Owen, for the European Community involves giving the status of valued negotiating partner to Serbian leaders widely seen as war criminals and accepting in practical terms much of the murderous displacement of Muslims conducted by Serbia with its Bosnian Serb clients. The Bush administration, which did not favor this dubious plan, managed to avoid frontally addressing it, but President Clinton finds it parked directly at his door.

The question is particularly acute for Mr. Christopher. His underlying views on this issue, as on many others, are simply not on the public record, and so it is premature to

say that he has misgivings about President Clinton's stated readiness to consider some evening up of Bosnia's long military odds. But in the past he has identified himself with Mr. Vance's characteristic confidence in a brand of diplomacy that undertakes to remove force from the equation of disputes on the ground. This is the brand whose results are evident in the UN plan. It registers some though not all of Serbian (and Croatian) gains made by aggression, and it denies to the victim Muslims the opportunity they might yet have to bring greater force to bear to diminish their territorial losses and save the lives and homes of their people.

This week the toy Bosnian Serb "parliament" endorsed its warlord leadership's earlier approval of the Vance plan. But it is a highly conditional approval by which Bosnian Serbs plainly mean to continue to cheat on and fight on for their goal of sundering Bosnia, expanding their own turf and joining with Serbia proper. This is the reality Mr. Clinton and Mr. Christopher must address as they weigh whether the UN plan serves American interests and American ideals.

— THE WASHINGTON POST.

Russia Thinks Nuclear

Russia says it is going to embark on an enormous program to develop nuclear power. Last month the cabinet adopted a plan to build some 30 new reactors over the next two decades. But that kind of a plan is unlikely to be carried out. One reason is that Russia does not have the money. Another is that investment in energy would have a much quicker and more efficient payoff if it went instead into the country's neglected oil and gas industry.

The nuclear plan is a revealing commentary on the politics of Russia's struggle to reform its economy.

Perhaps one motive is to hold together Russia's highly skilled teams of physicists and nuclear engineers, discouraging them from drifting southward to other countries with different nuclear ambitions and more cash to carry them out. Or perhaps the plan is a move in the rivalry among the bureaucracies in Moscow. But the main purpose is doubtless to meet a rising need for energy by exploiting a highly advanced technology in which many Russians take pride.

Energy is at the center of any strategy for rebuilding the Russian economy, and the government's dilemmas tell you a lot about the process. Russia keeps the price of fuel far below world levels because of the social distress that increases in a cold climate. But because it is cheap, peo-

ple waste it lavishly. And because it is too cheap, it does not generate enough money for upkeep and expansion of the oil and gas fields. The simple solution is to raise prices, but before they do that the Russians have to devise a better social safety net for the people who would be hardest hit — the poor and the elderly.

Even with the current drops in production, Russia is the world's largest producer of gas and, after Saudi Arabia, the second-largest producer of oil. But it could sell a lot more gas to Western Europe if it only carried out rudimentary repairs to its leaking transmission lines. That would be a lot faster, easier and more productive than building nuclear reactors.

There are great possibilities for developing new fields, and Western oil companies could provide the capital. But before the foreign companies come in, Russians will have to settle among themselves a long series of hard questions about ownership, contract law and taxing authority — questions that not only take them into unfamiliar subjects but require them to deal with divisive ideological issues. That is a daunting prospect. It is not surprising that the embattled Russian government is tempted instead to turn to the mysteries of high technology for a solution.

— THE WASHINGTON POST.

Time Is Up for Sessions

J. Edgar Hoover must be spinning in his grave. Imagine the former director of the FBI taking the lashing that Attorney General William Barr administered, hours before resigning, to the incumbent director, William Sessions. "You engaged in a sham arrangement. [Your explanation] does not even pass the 'red face test.' ... There is no excuse for your conduct." The penalty: Pay more taxes and reimburse the government for personal expenses disguised as business necessities.

That verdict, and a report that supports it, argue strongly for an end to Mr. Sessions's tenure.

If any of Mr. Hoover's nominal superior officers had used such language during his 48-year directorship, the response would have been a torrent of aspersions on his loyalty. Mr. Sessions, a former federal judge, has chosen a more mannerly response invoking due process: a rebuttal and a complaint that Mr. Barr defamed him with leaks and ill-proven charges.

Mr. Sessions has indeed been abused by leaked accusations and eleven-hour judgments. But the case against him also involves abuse. There is no major smoking gun of criminal conduct, but there is a seemingly endless record of chiseling and expense-account padding.

A 161-page report prepared by the Justice Department's Office of Professional Responsibility says that Mr. Sessions enjoyed fringe benefits but failed to meet widely accepted tax obligations thus incurred. Among those benefits was the use of chauffeured government transportation.

Apart from an unloaded gun in the limousine's trunk, there was little evidence that Mr. Sessions intended to use the vehicle for instant law enforcement.

The report reveals suggestive travel patterns: commercial airline arrangements skillfully planned to make pleasure trips look like professional travel. Mr. Sessions also charged the taxpayers \$10,000 for building a residential fence, and spent hours justifying it as needed security.

The sheer volume of nickel-and-dime transactions is offensive. So, too, are the many hours that the chief of the nation's busiest, most important law enforcement agency devoted to such petty pursuits.

Yet there seems to be another and quite different reason why Mr. Barr is angry with Mr. Sessions, and it speaks well of the FBI chief. He declined to endorse the judge-baiting hostility to civil liberties in the Reagan and Bush administrations and refused to attack constitutional safeguards for suspects. He also settled complaints from black and Hispanic agents about the bureau's promotion practices, displaying a concern for civil rights not widely shared in the Justice Department.

In other words, Mr. Sessions's virtues may have fueled the official probe into his vices. Nevertheless, the director generously supplied his detractors with evidence, which the incoming Clinton administration finds "disturbing." Although he is only halfway through a 10-year term, Mr. Sessions should resign, or the president should fire him.

— THE NEW YORK TIMES.

Other Comment

A Decisive American Leader?

The world, looking to America for leadership, both demands Mr. Clinton's energy and fears it. The way to defuse that fear is to link America's money and purpose to the United Nations, so that its foreign forays have multilateral backing, whenever possible. The virtues this president needs to cultivate, above all, are decisiveness and self-restraint. By steadfastness, refusal to make promises and tenacity in his own opinions, America's Mr. Fizz can prove there is more in his mind than political survival: such as the steering of his country, and the safety of the world.

— The Economist (London).

In his inaugural address Bill Clinton spoke of the mystery of American renewal, of the courage to reinvent America. That is typical inaugural rhetoric, something for-

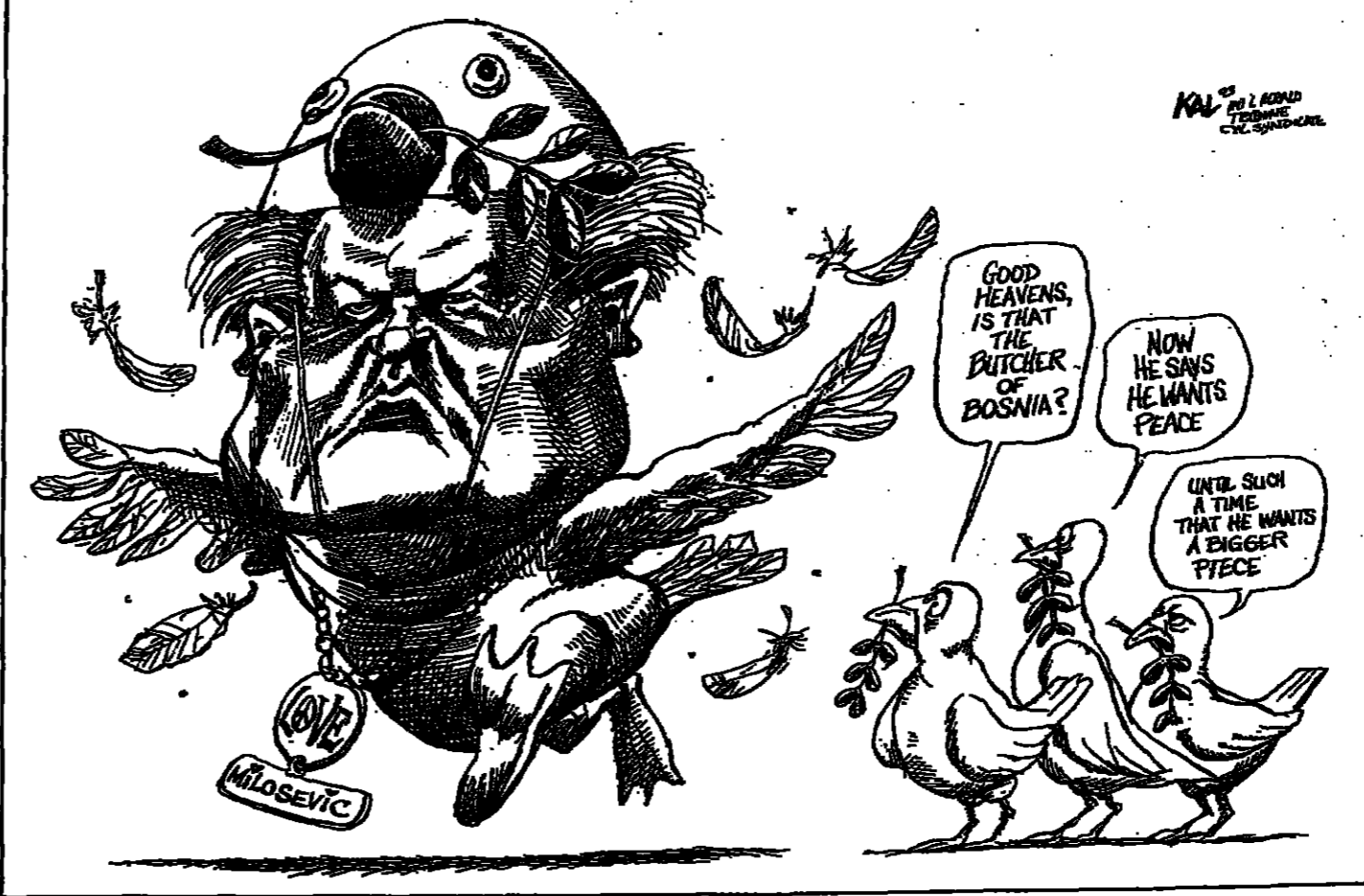
eign to Europeans because there was never an opportunity here to reinvent state and society. In Germany, even 1945 was not an "hour zero," even that new start was based on a foundation laid over centuries. But Mr. Clinton will find it more difficult than his predecessors. "Young" America is in reality the world's oldest constitutional entity. It is not easy there, either, to move walls.

There is also the problem of the would-be architect Bill Clinton. Because of his origins and temperament, he is not one to tear down walls. He would like to please everybody, he seeks applause the way others seek their daily bread. His government team is as finely checked as his electoral rhetoric was. His problem is expectation gridlock. The right arm of his program (cutting the deficit) simply does not agree with the left arm (more state spending). Mr. Clinton's honeymoon with White House America will not last long.

— Süddeutsche Zeitung (Munich).

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Remove and Store the Warheads, and Do It Now

By Shai Feldman

TEL AVIV — As grave as is the threat to global stability posed by pariah states like Serbia and Iraq, it pales next to the damage that could be done by the accidental launching and explosion of a single nuclear warhead. This would result in a catastrophe of untold proportions.

Even if such important steps as the START-I and START-II treaties are carried through, it will take many years. The risks of an accidental launching can be mitigated only by an agreement to remove all nuclear warheads from their missiles and bombers, and to store them safely and separately from those vehicles.

The agreement should be negotiated immediately among the recognized nuclear powers — Britain, China, France, the United States and four former Soviet republics, Belarus, Kazakhstan, Russia and Ukraine — and require rapid implementation.

Financial resources and engineering expertise must be mobilized to build the necessary storage facilities. Verification measures should be negotiated later, except for safety requirements, nothing should be allowed to delay this urgent task.

During the Cold War, deterrence

required a high state of readiness and the resulting ability to convey the message that an instant and devastating response would follow any nuclear attack. Readiness required that nuclear warheads be placed at the tip of intercontinental ballistic missiles and in bombers, ready to be "launched on attack," if not "on warning."

Fortunately, this rationale is now void. The Soviet Union is gone and there is no identifiable political conflict between Russia and the NATO alliance. Chinese-Russian relations have also become cooperative; Russia is even selling arms to China. There is some tension between Russia and Ukraine, but not so much as to require the capacity to threaten annihilation.

History has not ended, but at least in the foreseeable future the threat of war between the major powers has been eliminated. A premeditated nuclear first strike by any of these powers against another is now unthinkable. Hence, maintaining the ability to deter such an attack by possessing the capacity for instant retaliation is anachronistic. So there is no justification for the continued arming of de-

livery vehicles with nuclear warheads. None of the nuclear powers currently has any serious enemies. No one threatens their basic security and survival; there are not even any substantial claims against them. Dealing with such relatively minor territorial claims as the Japanese claim to the Kurils or Argentina's claim to the Falklands does not require nuclear deterrence.

And new threats to the security of the nuclear powers are unlikely to develop quickly. The emergence of additional nuclear states that would need to be deterred, such as Iran, Libya or North Korea, is unlikely to occur overnight. Once such threats were identified, there would be ample time to arm some missiles and bombers with nuclear warheads, and to announce that this has been done for the purpose of deterrence.

A global initiative to remove nuclear warheads would not single out the former Soviet Union. It would avoid current tendencies to treat Russia as a Third World country worthy only of unilateral disarmament. Such an approach risks generating cumulative Russian anger that

Yes, Democracy in Other Lands Is America's Cause

By A. M. Rosenthal

WASHINGTON — The ruler of a great power had shown kindness and friendship to a new nation. So its leader wrote a letter of appreciation, and wrote of his country's realities.

"Within our territories there are no mines either of gold or silver, and this young nation, just recovering from the waste and desolation of a long war, have not, as yet, had time to acquire riches by agriculture and commerce. But our soil is bountiful, and our people industrious, and we have reason to flatter ourselves that we shall gradually become useful to our friends."

At the inauguration of the 42d president, those words from a letter by George Washington to Sultan Mohammed III of Morocco in 1789 were in my pocket and mind. They possess those qualities that Americans would most like to distinguish their nation and presidents, and which occasionally even do common sense, dignity, candor, a decent modesty joined to a comfortable sense of self-worth, and, in world affairs, loyalty and faith.

At inaugurations, each of us Americans listens for a word that touches our own sense of national purpose. Most people at the Capitol saw Bill Clinton as a dot. But each had a clear, unobstructed view of himself. The passage I hoped for came toward the end. The president spoke of America's greatest strength, the power of "our ideas," and said: "Our hopes, our hearts, our hands are with those on every continent who are building democracy and freedom. Their cause is America's cause."

Hell-bent for brevity, President Clinton did not explain just why freedom's causes have to be ours. What is it in for us?

At least in part he has explained it in other talks. Democracies do not go around slaughtering each other, a fact that tends to increase American longevity. The more democracies that exist, the less American blood is likely to be spilled abroad.

Also, the American system prospers economically and politically in concert with other free nations, even if sometimes we threaten not to drink their white wine.

Dictatorships can be good customers for awhile, particularly for arms. But the stronger the tyranny becomes, the quicker it presents a political price that the United States cannot pay — Imperial Japan, Nazi Germany, the Soviet Union, or Saddamite Iraq. Why we expect Communist China, with its burgeoning military might, to be different is a puzzle, unless we again put cash registers ahead of international security and individual freedom.

Political freedom may not be "our" idea and certainly was not during slavery. But Mr. Clinton was right: It is our greatest strength abroad.

I have lived in nations oppressed by Communist despotism and nations oppressed by poverty. Almost every day, the longing for the freedom America represented could be touched. Poles three

roses in the path of Richard Nixon because he was the vice president of the United States. In India, college students filled lecture halls to hear almost every visiting American, roses of attention.

The hopes of and for America often had cost to those who held them. In every war, every crisis, the United States asked the help of other peoples. It was given in belief that political freedom was transferable and that the United States would be its conduit. Without that trust, for most of the world the United States would be just real estate.

American "pragmatists" warn that democratic idealism will make us the world policeman. Not if we have any judgment it won't. Sometimes American armed power is necessary — with or without the United Nations, which is supposed to expand freedom's boundaries, not confine them. But mostly by freedom fighters pledged not for U.S. troops but for food, medicine, a political arm around them.

To Mr. Clinton and his chief of staff, Thomas McLarty, Freedom's causes need supporters in the administration. The transition has squeezed most of them out — a dangerous invitation to cynicism.

To journalists: We are the last people who can justify becoming automatic cynics. The whole beauty of journalism is that every day we get another crack at the story, to get more information, assuage cruelties, adjust our heads, correct mistakes.

Maybe Bill Clinton can make that the whole beauty of being president, who knows?

The New York Times.

Long Live His Presidential Highness, for a While

By William Pfaff

PARIS — An American presidential inauguration is a coronation for a season. The president is king for four years, eight if he is lucky — which most recent presidents have not been. The crowning of the president has made recent a republican necessity. Ronald Reagan is the only modern president who has not left office symbolically slain by the people.

Harry Truman was the last to conduct himself in the old republican way, irresistible accumulation of ceremony around the Cold War presidency that elevated the president to the place he now occupies.

The mediating of politics and the irresistible accumulation of ceremony around the Cold War presidency elevated the president to the place he now occupies.

was anointed with sacramental oils at her coronation, and was made the head of the Church of England.

Today, while what once was taken to be the reality of this sacral role now is accepted as symbolism, the symbolism itself remains extremely powerful. Prince Charles, the Prince of Wales, has probably sacrificed his succession to Britain's crown, and may even have destroyed the monarchy itself in Britain, because his marital difficulties and the publication of a coarse sexual conversation have robbed him of this sacramental potentiality, this potential priesthood.

No one thinks Charles worse than some of his predecessors, but the mediating of the monarchy — and the British royal family's making of themselves into celebrities — have eliminated that distance between monarch and people which in the past made the king's sins private.

The day following Mr. Clinton's inauguration was, coincidentally, the 200th anniversary of the execution of King Louis XVI, beheaded in the Place de la Révolution (the present Place de la Concorde) in Paris in front of what now is the Hôtel de Ville. Why was he killed, in what virtually all agree was a judicial murder? He was an inoffensive man and a relatively enlightened monarch. He had to be killed because to create a republic the sacramental connection of people to God had to be broken, repudiated, by an act of violence. So long as the king lived the sacrament of kingship existed.

This is why I say that being a monarch is dangerous. When the American president was, as the old usage had it, the first "magistrate" — a civil official — he was safe. He could leave office a success or a failure. No one wanted his

blood. This is not the case today. Mr. Clinton clearly grasps something of this, and it is why he wants to avoid isolation and break down the new barriers between himself and the people.

It is possible, however, that this is exactly the wrong way to go. It may be that the only possible solution is to reduce the ceremony and celebrity, but increase the distance. Instead of trying to touch the ordinary man, the president should do his best to remain an ordinary man himself, one simply carrying out, for a term, the civil duties of the first magistracy.

International Herald Tribune.
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The Straits Are Not Protected

By Michael Leifer

LONDON — Prime Minister Mahathir bin Mohamad of Malaysia has acquired notoriety as an abrasive advocate of Third World causes. There is a tendency in the West to discount his prescriptions as political self-indulgence. However, his recent call for ships using the Straits of Malacca and Singapore, one of the busiest international waterways in the world, to pay a toll to finance improved navigation and safety measures should be very seriously considered.

The oil spillage and fire following Thursday's collision between two supertankers near the northern entrance to the straits only underline the need for urgent action.

In the last 12 months, a series of collisions in the straits that run between Indonesia, Malaysia and Singapore have caused loss of life and pollution. They call into question the viability of the general maritime regime for straits as well as the system worked out specifically for the Straits of Malacca and Singapore in 1977.

The latter, which extend some 600 nautical miles, provide the shortest sea route between the Indian and Pacific oceans. They are a vital maritime supply line for countries such as Japan, South Korea and Taiwan that depend heavily on imports of crude oil from the Gulf. But the straits constrict to a point only 3.4 miles wide in one section opposite Singapore. They are also relatively shallow and increasingly congested.

Concern about safety of navigation in the straits became an issue in the early 1970s with the increase in size and number of oil tankers plying between the Gulf and Japan. In the context of international negotiations for a new law of the sea, Indonesia, Malaysia and Singapore took it upon themselves to work out a traffic separation regime that would reduce the risk of collision. An agreement was concluded in 1977 incorporating two major provisions: first, that vessels in passage should maintain a minimum under-keel clearance of at least 3.5 metres; second, that a traffic separation plan should be instituted for shipping on a voluntary basis.

That regime provided a basis for a general regime for straits used for international navigation. It was incorporated in the UN Convention on the Law of the Sea enacted in 1982. A new principle of transit passage was introduced providing an unimpeded right, with no financial charge, to all ships proceeding through such straits on certain conditions, one of which was prevention of collision and pollution.

But the number and size of vessels using international straits, and the often hazardous nature of the cargoes they carry, have increased dramatically. An average of some 200 large merchant ships ply the Straits of Malacca and Singapore each day, together with an armada of about 1,800 smaller craft, including fishing trawlers. (In addition, piracy in some sections of the straits and surrounding waters has revived to an alarming degree in the past few years.)

The latest collision underscores the need to work out ways for safer traffic management. Clearly, a self-policing system is no longer adequate to cope with the growing volume of shipping. The recent spate of accidents are evidence of abuse by users. Such license is not tolerated in the air; it should no longer be tolerated at sea.

The collision has some for the Straits of Malacca and Singapore, at least, to be treated much like a canal, with dues charged to cover the cost of navigation aids, and introduction of trained pilots to ensure that traffic separation is strictly observed.

Objections to a compulsory, fee-based regime of passage will almost certainly arise on grounds of expense and delay. There will also be concern that a precedent is being established that will pose a general threat to freedom of navigation. Singapore, for example, is almost certain to be reluctant to approve any change that might constrain access to and from its free port.

Such objections should be strongly resisted because of the overriding imperative of maritime safety, which has been neglected at obvious human and environmental cost in Southeast Asia.

The so-called new world order promised with the end of the Cold War is predicated on international community values. They should be applied and upheld rationally in the case of the Straits of Malacca and Singapore, with the lead being taken by the major maritime powers.

The writer, professor of international relations at the London School of Economics and Political Science, contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: Khedive's Crisis

CAIRO — The political situation is considered critical, and unless stringent measures are taken by the British Government there seems no doubt we shall be involved in an Egyptian question much more serious than heretofore. During the past week intense excitement has prevailed and still continues throughout the country. The Khedive is young and inclined to be arbitrary. Incited by anti-English advisers, he is disposed to take steps which are contrary to his and his country's welfare.

1918: Snowfall in Fez

FEZ — Snow fell in this old Moroccan city and the oldest inhabitants remained indoors, for everyone was looking for him to ask what it all meant. The dwellers of Fez ran joyously through the white-carpeted streets, trying to catch snowflakes. The children rolled in the snow, patted it, picked up handfuls and ate

1943: Allies Gain Tripoli

LONDON — [From our New York edition:] The British 8th Army wrested Tripoli from the Axis today [Jan. 23], and the conquest of Premier Benito Mussolini's African empire, which Prime Minister Winston Churchill pledged in 1940 would be torn "to shreds and tatters," was practically complete. Rear guards left behind by Field Marshal Rommel to slow the pursuit of his main forces into Tunisia were overwhelmed. Tripoli was ravaged by demolition charges as the 8th Army moved in from the east and south and took charge of the new and important air and sea bases on the North African coast.

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FASHION

Couture Winds of Change Increasingly, Financiers Call the Shots

By Suzy Menkes International Herald Tribune

PARIS — A whirlwind is tearing through French haute couture. The spring/summer collections open Saturday, four days after the dramatic announcement that the house of Yves Saint Laurent had been taken over by the state-owned Elf-Sanofi. A great designer has now become institutionalized.

On Thursday, Oscar de la Renta will make couture history as the only American designer to head a Paris house when he unveils his first show for the flailing house of Balmain. And in a scarcely credible round of musical chairs, the former Balmain designer Erik Mortensen makes his debut for Jean-Louis Scherrer Monday, after the house fired the designer whose name is over the door. Scherrer is currently taking the legal steps to fight his dismissal last month. Rumors in Paris, denied by both sides, claim that Marc Bohan, former designer for Dior, is being solicited by Lanvin, which has skipped haute couture since it flung out the modernist Claude Montana in January 1992.

At Givenchy, the new director-general, Richard Simonin, is negotiating layoffs for 36 staff members. And the president of LVMH Moët Hennessy Louis Vuitton, Bernard Arnault, warned this month that the group's revenue will be down, in spite of an "outstanding performance" for Dior and Givenchy perfumes, because of restructuring at Guinness PLC, in which LVMH holds an interest. Paris sources suggest that Arnault, owner of Dior, Givenchy and Christian Lacroix, may become a media mogul by bidding for Robert Hersant's press empire, which includes the daily Le Figaro.

The good news for couture is the Tokyo wedding of the Crown Prince Naruhito to Masako Owada, which is expected to boost the sluggish Japanese market. Hanae Mori, who celebrates Tuesday her 15th year showing as part of Paris couture, said Friday that clients in Japan and Europe are already ordering dresses for the wedding, slated for late May or early June.

Paris is also abuzz with talk of a royal marriage for Prince Albert of Monaco in 1993. This could be either with supermodel Claudia Schiffer, as trumpeted again in Paris Match this past week, or with Suzanne Alchinger, a Lacroix model whom Albert is dating. Either way, royal marriages are good for the couture business. Gianni Versace, who is showing his Autumn line Sunday and picks up the International Designer of the Year award from the Council of Fashion Designers of America Feb. 1, is also getting into the bridal business. He has designed the dress for the Jan. 31 wedding of Karl von Habsburg and Francesca von Thyssen-Bornemisza, who is expected at Versace's show.

A SIGNIFICANT 10-year milestone is also reached this season by Karl Lagerfeld, who took over at Chanel in January 1983. Contrary to claims that he is bored or about to quit, Lagerfeld said Thursday that he has signed up for another six years, being the designer to age 60 and Chanel to the brink of the new millennium. "Please, no 10 years of..." says Lagerfeld. "The funny thing is that in these 10 years so many people tried to do what Chanel did, to get the world they would even do better, but it never worked. The drama is they have no Alain Wertheimer. It is not only money."

Lagerfeld prides himself on the two Wertheimer brothers, owners of Chanel, who give no interviews and reveal no figures about the privately owned company. They have provided the environment, not to mention the means, for Lagerfeld to flourish, while elsewhere there are public clashes between financiers and couturiers, and many, according to the embroiderer François Lesage, are being asked to cut back costs and the number of outfits.

Lagerfeld's unique genius has not been in the clothes that he has designed, but in his ability to hold up a mirror to changing fashion. He reflects that in his Chanel collections and that attracts media attention, while keeping at the same time a basic product (the Chanel jacket) that appeals to clients and can be commercialized.

Haute couture, once a simple business of serving rich ladies, now requires enormous investment to market the house image globally. Hence, the marriages with financial investors, who then demand bottom-line results.

The designer inevitably loses control. Saint Laurent and his partner, Pierre Bergé, have now signed away perfumes and cosmetics, while retaining control of the couture business until 2001. Otherwise, Emanuel Ungaro and Valentino (with a staff of 146 in his Rome



Oscar de la Renta with a first design for Balmain.

ateliers) are the only couturiers with international clout who remain in total charge.

It is a myth that clients no longer exist for the rarefied haute couture. The rich are always with us, especially during a recession — the only difference is that publicity-seeking nouveau riche now consider couture politically incorrect.

Offstage, the wealthy buy, mostly in total anonymity. Nabila Khashoggi went public for her December wedding. The house of Jacques Fath made her a white crepe, crystal embroidered dress and matching coat smoothed in white fur.

Christian Lacroix made 18 wedding dresses in 1992, all major work-of-art creations, which helped push up couture revenues by 13 percent, according to a spokesman for the house. Lesage believes that the "very confidential" commissions he does, especially for Lacroix, Gianfranco Ferré at Dior and for Valentino, are "more the future of couture."

"And it is not just the wedding gown," says Valentino's partner, Giancarlo Giammetti. "For the princesses in the Gulf states there is also the toba, the previous evening, in which she wears a djelaba with beautiful embroidery."

These elaborate wedding gowns, costing up to \$100,000, are never publicly seen. "And in a way, it should be private," says Siso Schlumberger, a client of Chanel, Saint Laurent and Lacroix, who has just turned down a request from a television station to follow her round the couture shows. As a client, she resents the media circus and the fact that houses "give front-row seats to people who don't buy — that's very offensive."

Couture houses pack shows with film stars precisely because real clients do not want to be used as publicity fodder. Or — like Rosane Collor, wife of Fernando Collor de Mello, the disgraced former president of Brazil — they dare not be. Hélène de Ludinghausen, Saint

Laurent's haute couture director for 22 years, has the cream of classy clients and says that she made it a deliberate policy to discourage one-off fancy dresses in favor of loyal clientele. Seventy percent of YSL's couture business is in tailored daywear, including the famous tuxedo. She describes the ideal client as "women who have a sense of quality in them" and not "an Ivana Trump, who likes being on stage."

A Paris couturier is caught in a triple bind: either to make politically correct low-key clothes that are ignored by the press; or to dress super-rich (but not famous) clients; or to put on a show to attract media attention that has nothing to do with selling clothes to clients.

The cost of the semiannual couture shows runs at a million dollars each and has traditionally been put down on the publicity and promotional budget. But financiers have realized that there is no guarantee of coverage. By contrast, for the same spend, Gianni Versace's current advertising campaign has generated magazine covers and editorial layouts on the strength of stunning pictures by Richard Avedon.

The deep-seated drama for couture is that no young blood is coursing through. The new kid on the block is Oscar de la Renta, 60, who has attracted enormous goodwill from Parisian society and from his loyal American clients, all of whom, led by Mary Curley, wife of the U.S. ambassador to Paris, will be at the Balmain show.

A triumph would be a personal accolade, yet it is hard to see what de la Renta's success could do for Balmain, whose reputation rests firmly on its past glory.

Lagerfeld, who has always been flippant, not to say downright dismissive of Coco Chanel, sets out his own approach to couture and his fashion philosophy in the words of Goethe: "Es gibt kein Kredit auf die Vergangenheit." There is no credit in the past.

ART

Old Masters Brush Off the Recession

NEW YORK — For auction addicts, it's great news from America. The art market has shaken off its gloom and is cracking wide activity. The traditional early winter sales of Old Master paintings last week revealed an eagerness to buy anything rightly priced that had not been perceptible since the crash in the fall of 1990.

It might not have been obvious to outsiders at Christie's, where the two-day binge started as a lightweight affair — 107 pictures, out of the 178 that were offered, sold for \$4.7 million, a relatively modest total. The 71

SOUREN MELIKIAN

failed works could have been interpreted by those who had not glanced at them as an indication of hard times. But to professionals, the session flashed a very different message.

They were surprised and cheered to see formal portraits by little-known artists finding niches. It started with the self-portrait of a painter once thought to be Nicolas de Largillière and now recognized as the lesser Jacques-François Delyen. Datable to 1740 on the basis of a variant in a French museum, the Delyen sold comfortably for \$46,000.

More encouraging still is the success encountered by a painting of a patrician, stern and stiff in his black costume and white ruffles. The portrait used to be admired as the work of Antonio Moro in the Corcoran Gallery of Art in Washington before getting a less exalted label, that of his Flemish follower Adriaen Thomas Key. The museum dispatched it to Sotheby's, where it brought \$44,000 on April 7, 1989, at the height of the market. Few expected it to go up to \$68,500 this time.

Soon, it became clear that only duds or blatantly overestimated pictures crashed along the way. No one, for example, took the slightest interest in the interior of a Gothic cathedral done in 1648 by Pieter Neefs, who was better at drawing lines with a ruler than at wielding his brush. Its failure to sell as the hammer went down at \$8,500, despite its provenance, the Boston Museum of Fine Arts, which was unloading it with other unwanted pictures, is a sign of the times. Labels barely matter now that the speculators are gone. It is the art that counts.

Nor does it have to be great. A whiff of novelty can do the trick. Leonardo Coccorante, the 18th-century painter of imaginary landscapes, is among the more recently rediscovered artists. A coastal scene in stormy light with improbable Roman ruins on a less exalted label, that of his tiny sailors are dramatically tossed about, sold brilliantly at \$85,000. There was greater excitement still over Jacopo Ligazzi's "Christ Carrying the Cross." The difficult subject is well painted in a Caravaggesque mode, which is now much sought after. Never illustrated until the Jan. 14 sale catalogue came out, it created a surprise effect that sent it zooming to \$107,000.

In this context, where anything good generated competition, the two prizes in the sale did extremely well. Jacob Marrel is a rare and fascinating artist. His bowl of flowers, signed with initials and dated 1647, betrays the German painter's training as a botanist. The flowers are rendered with a precision that even the Dutch, among whom he spent the better part of two decades, do not attain. They could have been chiseled by a goldsmith.



Sold for \$2.4 million, this work set a record for a portrait done by an unidentified artist.

Coupled with that cool handling is an insidious sense of threat. Two lizards poised on the sculpted stone ledge supporting the vases are ready to dart. A tiny reflection of the artist's face is visible in the glass bowl. Distorted by the curvature, it is made more disturbing by the thorny stalk of a rose, which seems to run through the head. Formally close to Dutch art, the picture could not be further removed in feeling. It has all the ferocious energy of its German forbears. At \$365,500, close to the high estimate, it was a great buy.

So was a still life by Pieter Claes dated 1635. The composition is all about brilliance — the subdued sheen of pewter, the gray transparency of glass, the yellow glitter of white wine and the honey-colored beer with a crown of froth. Each one of the few objects is set off by the others in color and texture. This is Dutch still life at its most restrained, in time suspended with a Vermeer-like touch. It seemed almost inexpensive as it went over the high estimate, up to \$805,000.

The stage — or the mood — was set for Sotheby's sale the day after. Vastly superior in quality, it was also larger — 188 pictures out of 285 offered brought an aggregate

\$12.4 million. Yet, interestingly, the same pattern repeated itself. Good paintings sold, however modest their scope, as long as the estimate was right. A replica of Simon Vouet's "Judith with the Head of Holofernes," probably done not long after the original was executed about 1620-21, could have failed in a wobbly market. Instead, it found a buyer at \$23,000. So did one of many copies of Georges de la Tour's "Saint Sebastian Tended by Irene," at a substantial \$60,500.

Minutes later, a fragment of a painted Cross showing the head of Jesus tilted to the left, eyes cast down as blood trickles underneath the Crown of Thorns, could have remained unsold. Sotheby's estimate was a prudent \$12,000 to 16,000. But at the sight of a genuine Giovanni di Paolo, the 15th-century Sienese miniature, connoisseurs could not hold themselves back. The fragment, hotly disputed, went to a Venetian dealer, Beppe Pastucci, who paid \$87,750 to get it.

When the more important paintings began to come up, shortly after, there was a surge of enthusiasm. It started with a sensational discovery, a hitherto unrecorded Crucifixion by Jacob Cornelisz van Oostmaen, a rare Dutch primitive. Dated 1507, the Crucifixion is one of only 12 dated works by the artist, who spent most of his life in Amsterdam and is the first identifiable painter established in that city. The important icon climbed far above its high estimate and ended its course at \$607,500, courtesy of an American collector.

Next came two landscapes from a set of six by Paul Brill on the theme of the Twelve Months. One of the two, "January-February," was done by Brill while in Rome. It shows the Piazza del Popolo before its reconstruction in the Baroque age. This unique document, with the artist's device, a pair of spectacles — "brill" means just that in Flemish — is, in addition, fully documented from the time Thomas Howard, the earl of Arundel, acquired it in Rome in 1626. A fierce contest between European collectors sent it shooting up to \$266,500, doubling the high estimate.

It served as a prelude to the even more determined duel that pitched an English dealer against a New York dealer over Jan Davidsz de Heem's beautiful still life. Last reproduced in a sale catalogue in 1912, the de Heem was not in mint condition, but once again the surprise effect worked. At \$1.54 million, three times the high estimate, it could not have done better.

The real surprise was yet to come. As one went around the viewing before the sale, one picture leaped off the walls, the portrait of a man praying painted on a panel, with light strokes of white gouache over blue, reminiscent of a technique used for drawings. The sitter's identity is established in Gothic gold lettering. "Jalkob" Hübner is a Flemish composer who died somewhere between that of Hans Memling and of the Maître de Moulins. The Kimbell Museum of Art in Fort Worth, Texas, came out on top in a straight contest against the Paul Getty Museum, setting a world record for a portrait by an unidentified artist at \$2,422,500 — four times the high estimate.

Never mind the numerous unwanted duds and a few failed pictures due to overestimation. It was a good day for the Kimbell, for Sotheby's, and for the connoisseur. These are now in full control. Where Old Masters are concerned, the slump is over.

The Human Body, Painted and Prefabricated

By Michael Gibson International Herald Tribune

PARIS — Three current exhibitions in Paris are devoted, quite coincidentally, to the representation of the human body.

The Musée Rodin is showing through April 11 a collection of items that had long been kept in Rodin's studio in Meudon, and which reveal how the artist worked serially at his numerous sculptures by combining "prefabricated" limbs, heads and torsos. The Picasso Museum is devoting a small but illuminating show to the artist's representations of the Crucifixion and to some related works by Francis Bacon, Willem de Kooning, Graham Sutherland and Renao Gutuso. This exhibition, "Corps Crucifiés," exhibition ends March 1, and then travels to the Museum of Fine Arts in Montreal (March 26 to May 16). And the Musée de la Seine is presenting a choice of 100 mordant and powerful drawings by Egon Schiele (to Feb. 27).

The Picasso show includes 34 works related to the Crucifixion, drawn or painted by Picasso between 1892, when he was 12, and 1962. It is in exhibitions such as these that one senses how thoroughly the old formalist approach to art has been replaced by one that takes into account the constantly renewed attempt of each society, made visible in art, to redefine man's fate and his position in the world.

In a conversation with André Malraux, Picasso explained that he did not believe in artistic "subjects," but that he did believe in "themes, provided they are expressed through emblems." Themes, in his view, included such things as "birth, pregnancy, suffering, murder, the couple, death, revolt, possibly the kiss."

The Crucifixion also seems to have been such a theme, and one may be struck by the way Picasso, in his series of Crucifixion drawings done in 1932, renders his subject through an assemblage of forms somewhat reminiscent of dinosaur bones. Here, as in most of the work of Picasso's maturity, and as in the work of artists who came after him, like Bacon (for instance, one notes the fearful fragmentation of the hu-

man form, which has, since then, become something of an academic stereotype.

This fragmentation is particularly striking in the Crucifixions, which are traditionally supposed to signify the suffering essence of man.

The figure of the suffering self, which was eloquently expressed in the crucified figure for close to 2,000 years, has naturally been eroded by overuse. It has also been eclipsed in the collective imagination by the enormity of more recent horrors, including the death camps and Hiroshima.

Bacon, for instance, chooses not to represent the Crucifixion itself in a triptych, but only three figures at the base of the Crucifixion. But these monstrous figures express a suffering so horrifying that it suggests that the unseen victim that

hangs above them is quite beyond expression.

Viewing the Rodin exhibition after the Picasso can be rather disquieting. Some 260 miniature arms, legs, heads and torsos were recently inventoried in Rodin's studio in Meudon. These he assembled, like a child assembles building blocks, before passing them on to craftsmen who enlarged and executed them for him.

The very notion of such a quasi-industrial approach to artistic creation may seem alien to the passionate vigor we associate with Rodin's production. Yet, there they are, all these little limbs, executed in plaster after original works by Rodin, but destined to be re-used in various combinations and permutations, in later works.

Egon Schiele died of the Spanish flu in 1918, at the age of 28. He had studied under Gustav Klimt and evolved a highly individualistic, incisive idiom of his own that etched each feature in acid. It is typical that a baby, in one of these portraits, should have the long, arachnean fingers of a monkey. It is typical, too, that Schiele occasionally gave as much prominence, both in color and graphic detail, to the genital as he did to the face.

There is, inherent in his style, a slightly perverse erotic irony that both praises and derides the body he depicts, stressing its quasi-similarity to an anatomical specimen. This, plus his fantastic virtuosity, provoked the loveable but utterly implausible Viennese schmalz of his day.

GALERIE MERMOZ 6, rue Jean Mermoz - 75008 PARIS Tel: (1) 42 25 84 80 - Fax: (1) 40 75 03 90 PRE-COLOMBIAN ART

auction sales IN FRANCE PARIS DROUOT RICHELIEU 9, Rue Drouot, 75009 Paris - Tel: (1) 48 00 20 20. Tuesday, 26 January. Room 8 at 2 p.m. FURS, MILLON-ROBERT, 19, rue de la Grange Baudouin, 75009 Paris. Tel: (1) 48 00 99 44. Fax: (1) 48 00 98 98. Wednesday, 27 January. Room 1 at 2 p.m. FURNITURE and OBJECTS D'ART, MILLON-ROBERT, 19, rue de la Grange Baudouin, 75009 Paris. Tel: (1) 48 00 99 44. Fax: (1) 48 00 98 98. Room 8 at 2.15 p.m. COLLECTION OF BOTTLES, PANS, PERFUME BOTTLES, LACQUERED SNUFF-BOXES. Public viewing: Wednesday 27 January from 11 a.m. to 6 p.m. LOUDMER, 7, rue Rossini, 75009 Paris. Tel: (1) 44 79 50 50. Fax: (1) 44 79 50 51. Thursday, 28 January. Room 5 at 2 p.m. COLLECTION OF DECORATIONS AND MEDALS FROM ALL EUROPEAN COUNTRIES, RUYVE-BARON, 5, rue de Provence, 75009 Paris. Tel: (1) 42 46 00 77. Fax: (1) 42 23 22. Saturday, 6 February. Room 9 at 2 p.m. THE WORLD OF RUSSIAN ART. Graphic art, sculpture, paintings, 1948 - 1992. DELAVALLE-LAFARGE, 26, rue Bergère, 75009 Paris. Tel: (1) 47 70 45 96 / 42 46 28 82. Fax: (1) 45 23 18 92. Room 8 at 2 p.m. BEAUTIFUL JEWELRY, MILLON-ROBERT, 19, rue de la Grange Baudouin, 75009 Paris. Tel: (1) 48 00 99 44. Fax: (1) 48 00 98 98. Sunday, 7 February. Room 1 at 2.30 p.m. MODERN AND CONTEMPORARY PAINTINGS: AGAM, ARMAN, BALCHANT, BOMBONI, BRAYER, COCTEAU, COTTAVOZ, CROSS, CSAKY, DUFY, FASSIANDOS, FOJITTA, HELJON, LAPIQUE, LEMPICKA, MODIGLIANI, PASCIN (25 works on paper), RENOIR, VILLON, ZIEH. Public viewing p.m. to 6 p.m., Saturday 6 February from 11 a.m. to 6 p.m., Monday 8 February from 10 a.m. to 1 p.m., Exhibition at Drouot: Tuesday 9 February from 11 a.m. to 6 p.m., Wednesday 10 February from 11 a.m. to 12 a.m. Catalogue on request from auctioneer: FF 33, LOUDMER, 7, rue Rossini, 75009 Paris. Tel: (1) 44 79 50 50. Fax: (1) 44 79 50 51. Saturday, 20 February. Room 9 at 11 a.m. and 3 p.m. A PACIFIC LIBRARY: Collection of KILLIAN RITZCH. Public viewing only at LOUDMER: from 11 to 12 February, 10 a.m. to 1 p.m. and 2 p.m. to 6 p.m. From 15 to 18 February, 10 a.m. to 1 p.m. and 2 p.m. to 6 p.m., on 19 February 10 a.m. to 1 p.m. Catalogue on request at auctioneer: FF 700, mail order: FF 780, Europe: FF 800, other countries: FF 900. LOUDMER, 7, rue Rossini, 75009 Paris. Tel: (1) 44 79 50 50. Fax: (1) 44 79 50 51.

Christie's GERMAN AND AUSTRIAN WEEK 17-21 MAY 1993 In 1993, Christie's will mark its long association with German and Austrian works of art with a week of special sales in London in May. Since 1766, when James Christie held his first auction in London, Christie's has had a remarkable record of successful sales. German and Austrian week will begin on 17 May 1993 and will include sales of Old Master, Modern and Contemporary Paintings, Drawings and Prints, Books, Manuscripts, Musical Manuscripts, Furniture, Silver, Ceramics, Clocks, Sculpture and Works of Art, Miniatures, Arms and Armour, Coins, Medals, Stamps and Wine. If you would like further information, please contact Kate Eckert in London on (4471) 389 2129 or Birgit Seynsche-Vautz in Düsseldorf on (49211) 498 2986. CHRISTIE'S 8 King Street, St. James's, London SW1Y 6QT Tel: (4471) 839 9060 Fax: (4471) 839 1611

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CLEVELAND INTERNATIONAL DRAWING RENAISSANCE Cleveland (OH) International Drawing Renaissance will take place in 1993 in Middleborough. Prices totaling \$47,000 will be awarded. Closing date for applications: 30th April 1993. Closing date for receipt of works: 31st May 1993. Full details and application form are available in English, French, German or Spanish (please specify from). Cleveland International Drawing Renaissance The Cleveland Gallery, Victoria Road, Middleborough, Cleveland TS1 3QS, England. Tel: (0642) 225468

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NYSE

Friday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low Stock Div Yld PE Ratio

12 Month High	Low	Stock	Div	Yld	PE Ratio
100.00	90.00	IBM	1.50	1.50	15.00
120.00	110.00	Microsoft	0.00	0.00	15.00
150.00	140.00	Oracle	0.00	0.00	15.00
180.00	170.00	Sun	0.00	0.00	15.00
200.00	190.00	HP	0.00	0.00	15.00
250.00	240.00	Intel	0.00	0.00	15.00
300.00	290.00	Motorola	0.00	0.00	15.00
350.00	340.00	Rockwell	0.00	0.00	15.00
400.00	390.00	Boeing	0.00	0.00	15.00
450.00	440.00	Lockheed	0.00	0.00	15.00
500.00	490.00	Northrop	0.00	0.00	15.00
550.00	540.00	Raytheon	0.00	0.00	15.00
600.00	590.00	General Dynamics	0.00	0.00	15.00
650.00	640.00	Grumman	0.00	0.00	15.00
700.00	690.00	Boeing	0.00	0.00	15.00
750.00	740.00	Lockheed	0.00	0.00	15.00
800.00	790.00	Northrop	0.00	0.00	15.00
850.00	840.00	Raytheon	0.00	0.00	15.00
900.00	890.00	General Dynamics	0.00	0.00	15.00
950.00	940.00	Grumman	0.00	0.00	15.00
1000.00	990.00	Boeing	0.00	0.00	15.00
1050.00	1040.00	Lockheed	0.00	0.00	15.00
1100.00	1090.00	Northrop	0.00	0.00	15.00
1150.00	1140.00	Raytheon	0.00	0.00	15.00
1200.00	1190.00	General Dynamics	0.00	0.00	15.00
1250.00	1240.00	Grumman	0.00	0.00	15.00
1300.00	1290.00	Boeing	0.00	0.00	15.00
1350.00	1340.00	Lockheed	0.00	0.00	15.00
1400.00	1390.00	Northrop	0.00	0.00	15.00
1450.00	1440.00	Raytheon	0.00	0.00	15.00
1500.00	1490.00	General Dynamics	0.00	0.00	15.00
1550.00	1540.00	Grumman	0.00	0.00	15.00
1600.00	1590.00	Boeing	0.00	0.00	15.00
1650.00	1640.00	Lockheed	0.00	0.00	15.00
1700.00	1690.00	Northrop	0.00	0.00	15.00
1750.00	1740.00	Raytheon	0.00	0.00	15.00
1800.00	1790.00	General Dynamics	0.00	0.00	15.00
1850.00	1840.00	Grumman	0.00	0.00	15.00
1900.00	1890.00	Boeing	0.00	0.00	15.00
1950.00	1940.00	Lockheed	0.00	0.00	15.00
2000.00	1990.00	Northrop	0.00	0.00	15.00
2050.00	2040.00	Raytheon	0.00	0.00	15.00
2100.00	2090.00	General Dynamics	0.00	0.00	15.00
2150.00	2140.00	Grumman	0.00	0.00	15.00
2200.00	2190.00	Boeing	0.00	0.00	15.00
2250.00	2240.00	Lockheed	0.00	0.00	15.00
2300.00	2290.00	Northrop	0.00	0.00	15.00
2350.00	2340.00	Raytheon	0.00	0.00	15.00
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2500.00	2490.00	Boeing	0.00	0.00	15.00
2550.00	2540.00	Lockheed	0.00	0.00	15.00
2600.00	2590.00	Northrop	0.00	0.00	15.00
2650.00	2640.00	Raytheon	0.00	0.00	15.00
2700.00	2690.00	General Dynamics	0.00	0.00	15.00
2750.00	2740.00	Grumman	0.00	0.00	15.00
2800.00	2790.00	Boeing	0.00	0.00	15.00
2850.00	2840.00	Lockheed	0.00	0.00	15.00
2900.00	2890.00	Northrop	0.00	0.00	15.00
2950.00	2940.00	Raytheon	0.00	0.00	15.00
3000.00	2990.00	General Dynamics	0.00	0.00	15.00
3050.00	3040.00	Grumman	0.00	0.00	15.00
3100.00	3090.00	Boeing	0.00	0.00	15.00
3150.00	3140.00	Lockheed	0.00	0.00	15.00
3200.00	3190.00	Northrop	0.00	0.00	15.00
3250.00	3240.00	Raytheon	0.00	0.00	15.00
3300.00	3290.00	General Dynamics	0.00	0.00	15.00
3350.00	3340.00	Grumman	0.00	0.00	15.00
3400.00	3390.00	Boeing	0.00	0.00	15.00
3450.00	3440.00	Lockheed	0.00	0.00	15.00
3500.00	3490.00	Northrop	0.00	0.00	15.00
3550.00	3540.00	Raytheon	0.00	0.00	15.00
3600.00	3590.00	General Dynamics	0.00	0.00	15.00
3650.00	3640.00	Grumman	0.00	0.00	15.00
3700.00	3690.00	Boeing	0.00	0.00	15.00
3750.00	3740.00	Lockheed	0.00	0.00	15.00
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3900.00	3890.00	General Dynamics	0.00	0.00	15.00
3950.00	3940.00	Grumman	0.00	0.00	15.00
4000.00	3990.00	Boeing	0.00	0.00	15.00
4050.00	4040.00	Lockheed	0.00	0.00	15.00
4100.00	4090.00	Northrop	0.00	0.00	15.00
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4200.00	4190.00	General Dynamics	0.00	0.00	15.00
4250.00	4240.00	Grumman	0.00	0.00	15.00
4300.00	4290.00	Boeing	0.00	0.00	15.00
4350.00	4340.00	Lockheed	0.00	0.00	15.00
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4450.00	4440.00	Raytheon	0.00	0.00	15.00
4500.00	4490.00	General Dynamics	0.00	0.00	15.00
4550.00	4540.00	Grumman	0.00	0.00	15.00
4600.00	4590.00	Boeing	0.00	0.00	15.00
4650.00	4640.00	Lockheed	0.00	0.00	15.00
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4750.00	4740.00	Raytheon	0.00	0.00	15.00
4800.00	4790.00	General Dynamics	0.00	0.00	15.00
4850.00	4840.00	Grumman	0.00	0.00	15.00
4900.00	4890.00	Boeing	0.00	0.00	15.00
4950.00	4940.00	Lockheed	0.00	0.00	15.00
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5100.00	5090.00	General Dynamics	0.00	0.00	15.00
5150.00	5140.00	Grumman	0.00	0.00	15.00
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5250.00	5240.00	Lockheed	0.00	0.00	15.00
5300.00	5290.00	Northrop	0.00	0.00	15.00
5350.00	5340.00	Raytheon	0.00	0.00	15.00
5400.00	5390.00	General Dynamics	0.00	0.00	15.00
5450.00	5440.00	Grumman	0.00	0.00	15.00
5500.00	5490.00	Boeing	0.00	0.00	15.00
5550.00	5540.00	Lockheed	0.00	0.00	15.00
5600.00	5590.00	Northrop	0.00	0.00	15.00
5650.00	5640.00	Raytheon	0.00	0.00	15.00
5700.00	5690.00	General Dynamics	0.00	0.00	15.00
5750.00	5740.00	Grumman	0.00	0.00	15.00
5800.00	5790.00	Boeing	0.00	0.00	15.00
5850.00	5840.00	Lockheed	0.00	0.00	15.00
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5950.00	5940.00	Raytheon	0.00	0.00	15.00
6000.00	5990.00	General Dynamics	0.00	0.00	15.00
6050.00	6040.00	Grumman	0.00	0.00	15.00
6100.00	6090.00	Boeing	0.00	0.00	15.00
6150.00	6140.00	Lockheed	0.00	0.00	15.00
6200.00	6190.00	Northrop	0.00	0.00	15.00
6250.00	6240.00	Raytheon	0.00	0.00	15.00
6300.00	6290.00	General Dynamics	0.00	0.00	15.00
6350.00	6340.00	Grumman	0.00	0.00	15.00
6400.00	6390.00	Boeing	0.00	0.00	15.00
6450.00	6440.00	Lockheed	0.00	0.00	15.00
6500.00	6490.00	Northrop	0.00	0.00	15.00
6550.00	6540.00	Raytheon	0.00	0.00	15.00
6600.00	6590.00	General Dynamics	0.00	0.00	15.00
6650.00	6640.00	Grumman	0.00	0.00	15.00
6700.00	6690.00	Boeing	0.00	0.00	15.00
6750.00	6740.00	Lockheed	0.00	0.00	15.00
6800.00	6790.00	Northrop	0.00	0.00	15.00
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6900.00	6890.00	General Dynamics	0.00	0.00	15.00
6950.00	6940.00	Grumman	0.00	0.00	15.00
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7050.00	7040.00	Lockheed	0.00	0.00	15.00
7100.00	7090.00	Northrop	0.00	0.00	15.00
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7200.00	7190.00	General Dynamics	0.00	0.00	15.00
7250.00	7240.00	Grumman	0.00	0.00	15.00
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7350.00	7340.00	Lockheed	0.00	0.00	15.00
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7450.00	7440.00	Raytheon	0.00	0.00	15.00
7500.00	7490.00	General Dynamics	0.00	0.00	15.00
7550.00	7540.00	Grumman	0.00	0.00	15.00
7600.00	7590.00	Boeing	0.00	0.00	15.00
7650.00	7640.00	Lockheed	0.00	0.00	15.00
7700.00	7690.00	Northrop	0.00	0.00	15.00
7750.00	7740.00	Raytheon	0.00	0.00	15.00
7800.00	7790.00	General Dynamics	0.00	0.00	15.00
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8500.00	8490.00	Boeing	0.00	0.00	15.00
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8600.00	8590.00	Northrop	0.00	0.00	15.00
8650.00	8640.00	Raytheon	0.00	0.00	15.00
8700.00	8690.00	General Dynamics	0.00	0.00	15.00
8750.00	8740.00	Grumman	0.00	0.00	15.00
8800.00	8790.00	Boeing	0.00	0.00	15.00
8850.00	8840.00	Lockheed	0.00	0.00	15.00
8900.00	8890.00	Northrop	0.00	0.00	15.00
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9000.00	8990.00	General Dynamics	0.00	0.00	15.00
9050.00	9040.00	Grumman	0.00	0.00	15.00
9100.00	9090.00	Boeing	0.00	0.00	15.00
9150.00	9140.00	Lockheed	0.00	0.00	15.00
9200.00	9190.00	Northrop	0.00	0.00	15.00
9250.00	9240.00	Raytheon	0.00	0.00	15.00
9300.00	9290.00	General Dynamics	0.00	0.00	15.00
9350.00	9340.00	Grumman	0.00	0.00	15.00
9400.00	9390.00				

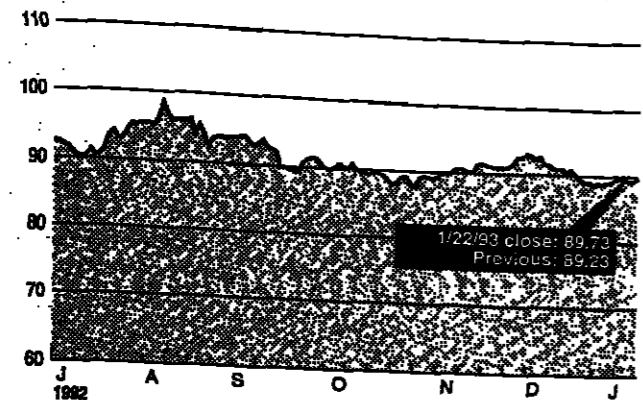
BUSINESS

International Herald Tribune, Saturday-Sunday, January 23-24, 1993



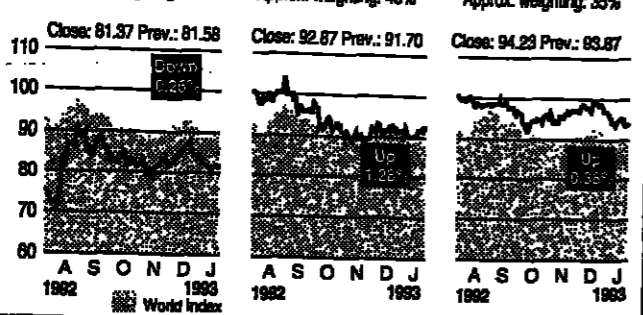
THE TRIB INDEX: 89.73

International Herald Tribune World Stock Index of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Asia/Pacific Europe N. America
Approx. weighting: 25% Approx. weighting: 40% Approx. weighting: 35%



Industrial Sectors	PL	Prev.	% change	PL	Prev.	% change	
Energy	88.94	88.25	+0.78	Capital Goods	88.48	88.37	+1.27
Utilities	87.19	86.88	+0.36	Raw Materials	92.19	91.41	+0.85
Finance	92.34	81.99	+0.49	Consumer Goods	88.28	88.02	+0.29
Services	102.77	101.98	+0.78	Miscellaneous	95.54	95.83	-0.30

For readers seeking more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to: Trib Index, 181 Avenue Charles de Gaulle, 92221 Neuilly Cedex, France.

Insider to Head Bank of England

LONDON — The British government on Friday appointed Eddie George, deputy governor of the Bank of England, to take over as head of the central bank on July 1. He replaces Robin Leigh-Pemberton, who had held the job since 1983.

Mr. George, 54, a 30-year veteran of the bank, has been its No. 2 since 1990. He has helped to weather some of the biggest crises in the institution's long history, notably those over the Bank of Credit & Commerce International and the pound's withdrawal from the exchange-rate mechanism.

As governor, he may have a delicate path to tread in his relations with the government of Prime Minister John Major. The Bank of England is under direct political control through the chancellor of the Exchequer and seems likely to remain so for the foreseeable future, despite pressure from economists and the movement toward central bank independence among Britain's EC partners.

At a news conference after his appointment, Mr. George said the issue of an independent central bank was for politicians to decide, but there was a "good case" for a separation of the setting of the goals and execution of monetary policy.

Rupert Pennant-Rea, 45, editor of The

Economist magazine, was named deputy governor. He said at the news conference that he has written editorials supporting an independent bank and would continue to support that policy.

Mr. Leigh-Pemberton, unlike Mr. George, came to the helm of the central bank from outside the institution, having previously been chairman of National Westminster Bank. At 66, he will be retiring in June.

Sir David Walker, deputy chairman of Lloyds Bank, had also been considered a candidate for the governorship.

But Mr. George was the favorite, having helped rebuild the credibility of the central bank after the BCCI scandal, over which it was heavily criticized for failing to spot massive fraud earlier than it did.

A tough anti-inflation monetarist, Mr. George is familiar with every detail of the day-to-day running of the bank.

At times, he has been a lone voice calling for policy change. He spoke out strongly against the excesses of the late 1980s borrowing and spending boom that is widely blamed for causing Britain's subsequent slump.

Mr. George will face enormous problems when he takes over. Britain remains mired in recession and the Conservative Party government has struggled to rebuild a cohesive economic policy after the ERM debacle.

And there is the independence issue. Under the Maastricht treaties, EC states would be required to have an independent central bank before proceeding to the later stages of proposed monetary union.

But a spokesman for Mr. Major said Friday that the prime minister was against making the Bank of England independent "at this stage."

Political sources said Mr. Major saw monetary policy as something particularly sensitive in Britain, with its high proportion of home ownership and personal mortgages.

That position appeared to reverse a commitment given by the chancellor, Norman Lamont, when Britain was still in the ERM. (Reuters, Bloomberg)

Airbus, Boeing Said to Agree on Study of New Jet

BONN — The four members of Airbus Industrie have signed an agreement to join Boeing Co. to study the feasibility of building a new superjumbo jet, sources in the aircraft industry said Friday.

The sources, who requested anonymity, said Boeing was to sign the agreement later.

An agreement would cap a highly unusual period of negotiations. Airbus earlier this month insisted it was ready to cooperate with Boeing on a superjumbo, while Boeing maintained it was talking only to two of the four Airbus partners, Deutsche Aerospace AG and British Aerospace PLC. Some industry analysts saw Boeing's claims as an effort to divide Airbus members.

A deal also would represent a noteworthy instance of cooperation between the European consortium and its chief U.S. rival.

The supervisory board of Airbus met Friday in Paris to decide whether to join Boeing in a feasibility study of a 600-to-800 seat airliner.

In an excerpt of a report to be printed Saturday, the German daily Hamburger Abendblatt said the Airbus partners had agreed to the study, with a group of engineers to meet every six months. A spokesman in Munich for Deutsche Aerospace, a unit of Daimler-Benz AG, said he could not confirm the report. (Reuters, Bloomberg, AP)

A Supercomputer Whiz Faces Defeat

By John Markoff
New York Times Service

SAN FRANCISCO — The bold crusade of Steve S. Chen to build the world's fastest supercomputer may be nearing an end because his major partner, IBM, is backing out, several people familiar with the project say.

Mr. Chen, who is one of the world's foremost supercomputer designers, may be the most visible casualty of International Business Machines Corp.'s financial woes.

Contributing to the project's troubles is the ascendancy of a competing technique, massively parallel processing, that promises to make extremely powerful computers much less expensive than the kind of machine Mr. Chen designs.

IBM had originally agreed to help finance the project through the end of 1992, and has since been helping his small company, Supercomputing Systems Inc., meet its payroll on a week-by-week basis.

Mr. Chen, meanwhile, has been desperately seeking outside investors. To assist him in his search, IBM recently helped retain the services of Bob O. Evans, a former

Microsoft Is as Big as Blue

SEATTLE — Microsoft Corp. has pulled neck-and-neck with International Business Machines Corp. as the world's largest computer industry company in market value.

On Thursday, Microsoft shares closed at \$89.50, giving it a market value of \$27.12 billion based on its fully diluted 303 million shares outstanding, compared with IBM's market value of \$26.48 billion at Thursday's closing price of \$46.37.

IBM rose to close Friday at \$48.625 a share and Microsoft slipped to \$89.375, putting IBM back ahead by a few hundred million dollars.

IBM shares have taken a battering as the company has slashed its work force by 69,000 over the past two years in round after round of restructurings. IBM posted a \$4.97 billion loss for 1992.

and his team in the new company, Supercomputing Systems, in Eau Claire, Wisconsin. At the time, IBM was concerned that Mr. Chen would be financed by foreign competitors.

With IBM's backing and access to its advanced technology, Mr. Chen has labored in secrecy for the last five years in an attempt to surpass his former employer.

Unlike Mr. Chen's designs, which rely on a few powerful computer processors, massively parallel machines employ hundreds or thousands of small, inexpensive chips.

Besides technology, IBM has supplied Mr. Chen with top managers and has invested more than \$100 million, according to several industry executives familiar with the project.

One of Mr. Chen's problems is that his work is now seriously behind schedule. When he began to design the new system in 1988, he had initially planned to bring a computer to market in 1992.

But in the meantime, the market has begun moving away from the specialized ultrafast machines designed by Mr. Chen and his mentor, Mr. Cray, and is turning to massively parallel systems.

Builders Pace U.S. Recovery

NEW YORK — Housing starts rose 5.5 percent in December, ending the year with their first annual gain since 1986, the government reported Friday. Builders broke ground for 18.5 percent more houses last year than in 1991, indicating that housing is playing its traditional role in pacing the recovery. The catch is that the pace of new building is only half that of normal recoveries.

The annual rate of 1.3 million last month was the highest since last March, and the increase was nationwide except for California.

David Seiders, chief economist of the National Association of Homebuilders, attributed the recovery to lower interest rates and pent-up demand. He forecast an increase of about 10 percent this year to 1.32 million, with gains restrained largely by the soft job market.

New unemployment claims rose 17,000 to 361,000 during the week ended Jan. 7, confirming a stagnant rather than a falling labor market. The rise merely offset a drop in claims over the holidays.

ECONOMIC SCENE

Shorter-Term Borrowing: A Tool for Cutting Deficit?

By Peter Passell
New York Times Service

NEW YORK — There may be a way for the U.S. Treasury to put a bit more zing in the recovery while still reducing the budget deficit. How? By shortening the average maturity of government securities sold to the public, as a way of stimulating private investment and saving on federal interest outlays.

Benjamin Friedman, a Harvard economist, describes the idea as "a win-win situation," one that would reduce the federal deficit by a few billion dollars even if it did not provide much kick to the economy. And it could prove a political godsend for the new president, who must somehow show that he is on top of the economy's immediate problems without abandoning his emphasis on long-term solutions to lagging productivity growth.

The idea, as outlined last week by the Democratic Study Group, the House Democrats' advisory panel, is simple, once the background is understood.

Washington covers its deficit spending by borrowing money for terms ranging from three months to 30 years. Interest rates vary, of course, according to market conditions when the debt is issued. But Uncle Sam's borrowing costs are also related to the debt's average maturity: Investors generally demand higher yields on longer-term securities, to compensate for the greater risk of the debt's fluctuating in resale value.

At the end of World War II, the average maturity of government debt was close to 10 years. It slipped in subsequent decades as the Treasury worked to pare interest costs by rolling over old debt at ever shorter terms. By 1975, the figure had fallen to a mere two years, eight months.

Since then, though, the Treasury has allowed the average maturity of its publicly held debt to climb to about six years. That simplified the practical problems of redeeming and reselling trillions of dollars of maturing securities. And for some years in the early 1980s, the longer maturities cost little or nothing extra because short-term rates were being held extremely high to clamp down on inflation.

But the situation did lock Washington into hundreds of billions

The long-end premium adds billions to government funding costs.

Luxembourg Ruling Repays Drug Profits

LUXEMBOURG — Owners of millions of dollars in alleged cocaine profits were allowed to reclaim their money Friday after a trial that lawyers said showed the weakness of this financial center's money laundering laws.

Luxembourg's Court of Appeals upheld the 1992 convictions of Franklin Jurado Rodriguez and Edgar Garcia Montilla, two Colombians charged with laundering drug profits for a cocaine cartel based in Cali, Colombia.

But the court said it could not confiscate some \$36 million frozen in bank accounts in Luxembourg and elsewhere in Europe because the money did not belong to the convicted men.

"Unfortunately, the court was obliged to restore the funds for purely judicial considerations," Judge Mario-Therese Kill-Muller said.

She ordered that money held in 33 banks in nine European countries be returned to the heirs of the late Heriberto Castro Meza, whose name was on the accounts.

Agents from the U.S. Drug Enforcement Agency testified the money in the accounts for Mr. Jurado administered for Mr. Castro Meza was drug profits. Mr. Castro Meza was the fa-

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CNN - The International Herald Tribune

CURRENCY & INTEREST RATES

Eurocurrency Deposits										Jan. 22	
	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU				
1 month	3 1/2%	8 1/2-9%	5 1/2-5%	7 1/2-7%	11-12	3 1/2-3%	9 1/2-9%				
3 months	3 1/2-3%	8 1/2-8%	5 1/2-5%	6 1/2-6%	10 1/2-11 1/2	3 1/2-3%	9 1/2-9%				
6 months	3 1/2-3%	7 1/2-7 1/2%	5 1/2-5%	6 1/2-6%	9 1/2-10	3 1/2-3%	9 1/2-9%				
1 year		7 1/2-7 1/2%	5 1/2-5%	6 1/2-6%	8 1/2-9 1/2	3 1/2-3%	9 1/2-9%				

Key Money Rates									
United States	Close	Prev.	British	Bank base rate	7.00	7.00			
Discount rate	3.00	3.00	Call money		7 1/2	7 1/2			
Prime rate	4.00	4.00	1-month interbank		7 1/2	7 1/2			
Federal funds	2 1/2	2 1/2	3-month interbank		6 1/2	6 1/2			
3-month CDS	2 1/2	2 1/2	6-month interbank		6 1/2	6 1/2			
6-month CDS	2 1/2	2 1/2	9-month interbank		6 1/2	6 1/2			
1-year Treasury bill	2 1/2	2 1/2	12-month interbank		6 1/2	6 1/2			
3-year Treasury bill	2 1/2	2 1/2	10-year Treasury		6 1/2	6 1/2			
5-year Treasury bill	2 1/2	2 1/2	15-year Treasury		6 1/2	6 1/2			
10-year Treasury	2 1/2	2 1/2	20-year Treasury		6 1/2	6 1/2			
30-year Treasury	2 1/2	2 1/2	30-year Treasury		6 1/2	6 1/2			

Other Dollar Values									
Currency	Par \$	Currency	Par \$	Currency	Par \$	Currency	Par \$	Currency	Par \$
British pound	1.646	Swiss franc	1.483	Japanese yen	148.36	West German mark	1.936	French franc	6.559
Italian lira	2036.27	Spanish peseta	166.37	Portuguese escudo	200.48	Belgian franc	36.363	Dutch guilder	3.760
Australian dollar	1.54	Canadian dollar	1.33	South African rand	1.445	Israeli sheqel	1.836	South Korean won	200.48

Forward Rates									
Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day		
British pound	1.646	1.646	1.646	Japanese yen	148.36	148.36	148.36		
West German mark	1.936	1.936	1.936	French franc	6.559	6.559	6.559		
Italian lira	2036.27	2036.27	2036.27	Dutch guilder	3.760	3.760	3.760		

MARKET DIARY

Cyclical Issues Lead A Modest Advance

NEW YORK — U.S. stock prices rose modestly Friday in heavy volume as investors snapped up cyclical issues in such industries as steel, autos and technology.

The Dow Jones industrial average, pulled back from its highs by a late bout of computer-driven sell orders, gained 3.79 to 3,267.81.

Advancing stocks outnumbered decliners by about 3 to 2 on the New York Stock Exchange. Trading was active, with about 295 million shares changing hands on the Big Board.

"Nasdaq stocks are flying, but you've got to ask yourself how much higher the index can go," said Dale Tills, manager of institutional equities at Charles Schwab in San Francisco.

Cyclical stocks typically rise as investor confidence in the overall economy grows, and Friday's gain followed a Commerce Department report that showed U.S. housing

starts for December at their strongest in nine months.

Shares of steel manufacturers soared. The Standard & Poor's group of six steel shares is about 7 percent higher in the past two days, to an all-time high of 70.21.

The surge was touched off by reports that the Commerce Department was poised to slap large duties on foreign steel and reports of a planned price increase by LTV Corp. that could mean big earnings gains for steelmakers.

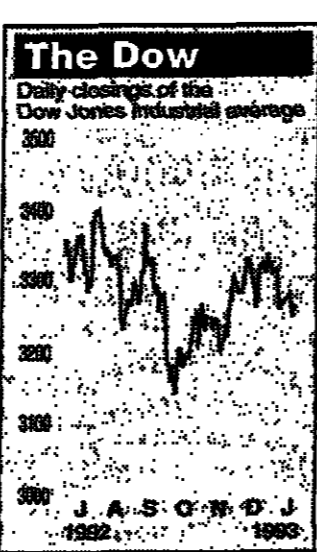
U.S. Steel's steel surged 1 1/2 to 19 1/2. Inland Steel rose 2 1/4 to 37 1/4 and Inland Steel gained 3/4 to 24 1/4.

LTV rose 1/4 to 1 1/4, but the stock ended well off its session high of 2 after the company said the common stock would be worth about 0.03 per share in a reorganization plan announced this week.

In auto stocks, Chrysler was up 1 1/2 to 39 1/2, General Motors ahead 3/4 to 37 1/2 and Ford up 3/4 to 48.

Software Publishing gained 3 1/4 to 116 1/4 on its earnings and Creative Technology jumped another 4 1/4 to 34 1/4 after its results Thursday.

McDonnell Douglas Corp. jumped 5 1/2 to 62 1/2 after the company announced plans to eliminate 4,000 jobs. (Bloomberg, Reuters)



NYSE Most Active

Table listing NYSE Most Active stocks including IBM, Microsoft, and Intel with their respective volume and price changes.

Table listing NYSE Daily volume and price changes for various sectors like Technology, Health Care, and Industrials.

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Table titled 'Dow Jones Averages' showing various market indices like S&P 500, NYSE, and NASDAQ.

Table titled 'Standard & Poor's Indexes' showing various market indices like Industrials, Technology, and Health Care.

Table titled 'NYSE Indexes' showing various market indices like Composite, Technology, and Health Care.

Table titled 'NASDAQ Indexes' showing various market indices like Composite, Technology, and Health Care.

Table titled 'AMEX Stock Index' showing various market indices like Composite, Technology, and Health Care.

Table titled 'Dow Jones Bond Averages' showing various market indices like 20 Bonds, 10 Utilities, and 10 Industrials.

Table titled 'Market Sales' showing various market indices like NYSE, NASDAQ, and AMEX.

Table titled 'N.Y.S.E. Odd-Lot Trading' showing various market indices like Buy, Sell, and Short.

Table titled 'S&P 100 Index Options' showing various market indices like Call, Put, and Total.

Table titled 'NYSE Diary' showing various market indices like Declined, Unchanged, and Advanced.

Table titled 'Amex Diary' showing various market indices like Declined, Unchanged, and Advanced.

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Table titled 'EUROPEAN FUTURES' showing various market indices like SUGAR, COFFEE, and SOYBEAN.

Table titled 'Food' showing various market indices like SUGAR, COFFEE, and SOYBEAN.

Table titled 'Industries' showing various market indices like SUGAR, COFFEE, and SOYBEAN.

Table titled 'Stock Indexes' showing various market indices like SUGAR, COFFEE, and SOYBEAN.

Table titled 'Commodity' showing various market indices like SUGAR, COFFEE, and SOYBEAN.

Table titled 'DISTRIBUTION' showing various market indices like SUGAR, COFFEE, and SOYBEAN.

Table titled 'STOCK SPLIT' showing various market indices like SUGAR, COFFEE, and SOYBEAN.

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Table titled 'GERMAN GOVERNMENT BOND (LIPSE)' showing various market indices like SUGAR, COFFEE, and SOYBEAN.

Table titled 'SUGAR (FOOD)' showing various market indices like SUGAR, COFFEE, and SOYBEAN.

Table titled 'COFFEE (FOOD)' showing various market indices like SUGAR, COFFEE, and SOYBEAN.

Table titled 'SOYBEAN (FOOD)' showing various market indices like SUGAR, COFFEE, and SOYBEAN.

Table titled 'WHEAT (FOOD)' showing various market indices like SUGAR, COFFEE, and SOYBEAN.

Table titled 'CORN (FOOD)' showing various market indices like SUGAR, COFFEE, and SOYBEAN.

Table titled 'RICE (FOOD)' showing various market indices like SUGAR, COFFEE, and SOYBEAN.

Table titled 'CATTLE (LIVESTOCK)' showing various market indices like SUGAR, COFFEE, and SOYBEAN.

Table titled 'PORK (LIVESTOCK)' showing various market indices like SUGAR, COFFEE, and SOYBEAN.

Table titled 'BEEF (LIVESTOCK)' showing various market indices like SUGAR, COFFEE, and SOYBEAN.

Table titled 'LAMB (LIVESTOCK)' showing various market indices like SUGAR, COFFEE, and SOYBEAN.

Table titled 'CHICKEN (LIVESTOCK)' showing various market indices like SUGAR, COFFEE, and SOYBEAN.

Table titled 'EGGS (LIVESTOCK)' showing various market indices like SUGAR, COFFEE, and SOYBEAN.

Table titled 'MILK (LIVESTOCK)' showing various market indices like SUGAR, COFFEE, and SOYBEAN.

Table titled 'BUTTER (LIVESTOCK)' showing various market indices like SUGAR, COFFEE, and SOYBEAN.

Table titled 'CHEESE (LIVESTOCK)' showing various market indices like SUGAR, COFFEE, and SOYBEAN.

Table titled 'WHEAT (CBOT)' showing various market indices like SUGAR, COFFEE, and SOYBEAN.

Table titled 'WHEAT (KCBT)' showing various market indices like SUGAR, COFFEE, and SOYBEAN.

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Investors Cheer Wal-Mart Stock Split

NEW YORK (Reuters) — Wal-Mart Stores Inc. split its stock 2-for-1 on Friday and its shares shot up \$3 to close at \$62.50, a rise analysts said was largely due to buying by individual investors cheered by the split.

Linda Kristiansen, analyst at Wertheim Schroder, said past stock splits had also touched off buying sprees but the price gains tended to disappear after the following week or so. Wal-Mart, the biggest U.S. retailer, has split its stock nine times since 1970.

"You have a lot of retail or individual investors who get very enthusiastic," said Patrick McCormack, an analyst at Dean Witter Reynolds.

Ms. Kristiansen of Wertheim said Wal-Mart typically splits its stock each time the price breaks through \$60. "It's widely held and they do not like to let the price go too high," she said.

USG Reaches Accord to Pare Debt

CHICAGO (Combined Dispatches) — USG Corp. announced Friday that it had reached agreement with its creditors to restructure \$2.7 billion in debt and dramatically lower interest rates on bank loans.

The agreement will let USG, the biggest U.S. manufacturer of wall-board and plaster, pare its debt to \$1.6 billion, cut interest payments by two-thirds and avoid protracted bankruptcy proceedings.

USG's bonds surged this month amid speculation the company was close to an agreement with bondholders. (AP, Bloomberg)

Checchi Stepping Down at Northwest

NEW YORK (NYT) — Alfred A. Checchi, who led the investor buyout of Northwest Airlines in 1989 and expanded the airline through turbulent times, plans to withdraw from running the carrier after completing several key financial steps, airline executives familiar with the planned changes said Friday.

"He is going to stay in there until the company is in safe harbor," a Northwest executive close to Mr. Checchi said. After that, he will assume the role of a largely passive investor who would be ready to step in again if needed, the executive said.

When Mr. Checchi took over Northwest in a \$3.65 billion buyout in the fall of 1989, he expected Steven G. Rothmeier, then Northwest's chairman, to stay on. Instead, Mr. Rothmeier and some other key executives resigned shortly after the takeover. So it was Mr. Checchi who has been, at most times, the hand that guided the company.

California Pension Fund Picks Targets

SAN FRANCISCO (Reuters) — The California Public Employees' Retirement System said Friday it was targeting 12 companies to improve shareholder returns and had already reached agreements for change with more than half of them.

Calpers, which oversees \$71 billion in state pension funds, also said that it was meeting with the company's independent directors, rather than just with the company's management team, as a more efficient way to effect change.

Calpers, one of the largest pension funds in the United States, said it had reached agreements with seven of the companies and the remaining five had agreed to hold talks. In recent years, the fund has played an active role trying to strengthen shareholder rights in order to generate better returns.

Texas Instruments Swings Into Profit

DALLAS (AP) — Texas Instruments Inc. said Friday it had earned \$78 million in the fourth quarter of 1992, completing a yearlong turnaround from losses. The chipmaker's net income compared with a loss of \$85 million in the same quarter a year ago. Revenue rose 12 percent, to \$1.99 billion, from \$1.75 billion.

For the year, Texas Instruments earned \$247 million, or \$2.50 a share, compared with a loss of \$409 million, or \$5.40 a share, in 1991. Revenue for the 12 months was \$7.44 billion, up 10 percent from \$6.78 billion. Sales of semiconductors exceeded \$4.02 billion last year, up from \$3.47 billion in 1991.

Dollar in Technical Fall, Tensions Fade in ERM

NEW YORK — The dollar slipped below 1.60 Deutsche marks Friday for the first time this year, while a continued easing of tensions in Europe's currency grid enabled Spain to cut interest rates.

The peseta held most of its ground in spite of the half-point cut and the Irish punt and the French franc also were mostly steady, underscored the recent calm prevailing among European currencies.

The Bank of Spain cut a key repurchase rate to 13.25 percent and comments by the Dallas Fed from 13.75 percent in response, it said, to the "progressive normalization of the currency markets."

The cut was Spain's first since the upheavals in the exchange-rate mechanism that forced the government to devalue the peseta by 5 percent in September and another 6 percent in November.

The peseta ended in Europe at 70.79 to the mark, down from 70.74 Thursday but above Friday's lows. Analysts said more Spanish rate cuts were probably in the pipeline but that the central bank would have to tread carefully.

"It's essential they keep interest rates firmly connected to the stability of the peseta," said Antonio Pulido of the FG Inversiones brokerage in Madrid.

The punt was barely changed at 2.6590 DM, while the French franc slipped slightly to 3.3818 to the mark from 3.3777.

The dollar, meanwhile, fell below 1.60 DM in response mainly to technical factors, dealers said.

"The market tried going over the wall yesterday but failed at 1.62 resistance," said one U.S. bank dealer. "So now it's trying to tunnel out."

The dollar also was hurt by a rise in jobless claims in the latest week and comments by the Dallas Fed president, Robert McTeer, who said the Fed might have to pare interest rates again if the employment picture did not brighten.

The dollar was quoted at 1.5900 DM at the close of trading, well down from 1.6141 Thursday.

It rose against the yen, which dealers said was hurt by speculation over a cut in Japanese interest rates as early as next week. The dollar gained to 125.11 yen from 124.93.

The pound rallied to \$1.5312 from \$1.5225.

The dollar also eased to 1.4585 Swiss francs from 1.4798 and 5.3785 French francs from 5.4545. (Reuters, Bloomberg)

£700 Million for Jaguar

LONDON — Ford Motor Co. has decided to invest £700 million (\$1.1 billion) in its British subsidiary Jaguar Cars during the next five years to develop new models and modernize factories, Jaguar said on Friday.

The investment is equivalent to about half the amount paid by Ford when it bought Jaguar for £1.6 billion in the late 1980s and is as much as Toyota invested in its new European factory at Burnaston in central England.

Jaguar said the scale of the commitment should calm fears that jobs might be shed and that production might be moved abroad.

WORLD STOCK MARKETS

Table showing world stock market indices for various cities including Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Paris, Sao Paulo, Singapore, Zurich, Tokyo, and Hong Kong.

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U.S. FUTURES

Table showing U.S. futures markets for various commodities like Grains, Metals, Limestone, and Livestock.

U.S. / AT THE CLOSE

Table showing U.S. stock market indices for various sectors like NYSE, NASDAQ, and AMEX, along with commodity and stock indexes.

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The Straits Are Not Protected

Currency Gets a Lift In Australia

By Andrew Pollack
New York Times Service
SYDNEY — The Reserve Bank won a skirmish in its battle against speculators by boosting the Australian dollar Friday...

Chips Are Down for Japan Minebea's Exit Part of a Big Retrenchment

By Andrew Pollack
New York Times Service
TOKYO — Japanese companies took over the computer memory-chip market in the 1980s by withstanding heavy losses that drove most American companies out of the business...

Japan Carmakers Fear Retaliation

Bloomberg Business News
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Investor's Asia
Table with columns for Hong Kong Hang Seng, Singapore Straits Times, Tokyo Nikkei 225. Includes line graphs and a table of market indices.

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Tokyo Stocks at 2-Month Low

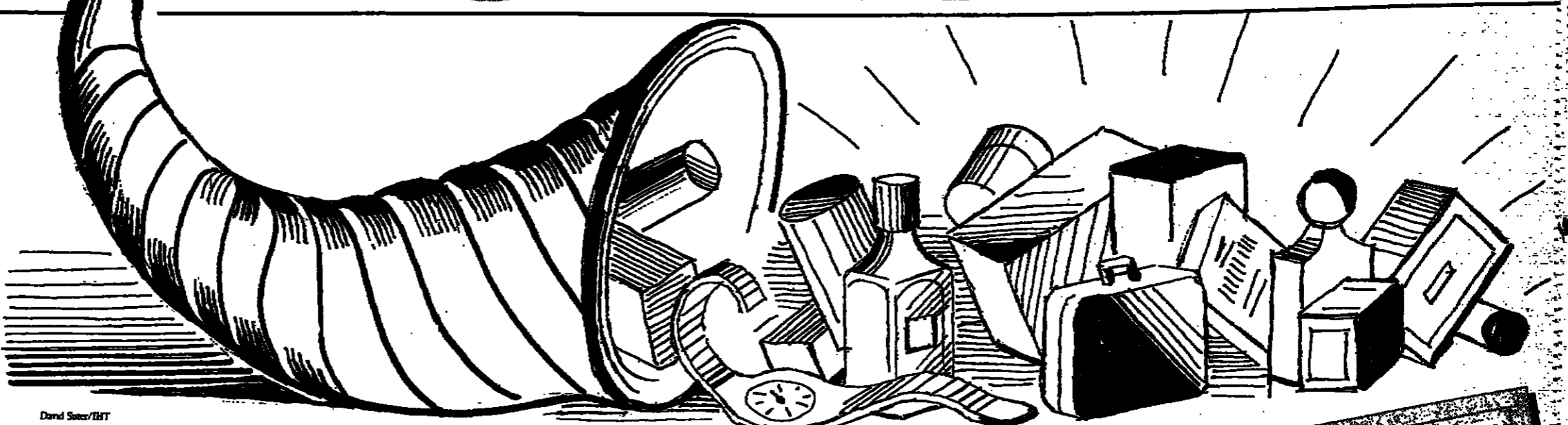
Bloomberg Business News
TOKYO — The Tokyo stock market's Nikkei 225 average fell Friday to its lowest level in two months after Japan's finance minister said he was not considering measures to support the market...

INTERNATIONAL FUNDS
Table listing various international funds with columns for fund name, share price, and other details. Includes sections for 'Other Funds' and 'IN HOLLAND'.

AS - Australian Dollars; A\$ - Australian Dollars; B\$ - Brunei Dollars; C\$ - Canadian Dollars; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Francs; HK\$ - Hong Kong Dollars; H\$ - Hungarian Forint; L\$ - Liberian Dollars; L.L. - Luxembourg Franc; M\$ - Malayan Dollars; N\$ - New Zealand Dollars; P\$ - Philippine Pesos; S\$ - Singapore Dollars; SFr. - Swiss Francs; T\$ - Taiwan Dollars; US\$ - US Dollars; Y\$ - Yugoslav Dinars; Z\$ - Zimbabwe Dollars; A - Amsterdam exchange; B - Bangkok exchange; C - Cebu exchange; D - Davao exchange; E - Manila exchange; F - Singapore exchange; G - Jakarta exchange; H - Hong Kong exchange; I - Seoul exchange; J - Taipei exchange; K - Tokyo exchange; L - Osaka exchange; M - Sydney exchange; N - Melbourne exchange; O - Perth exchange; P - Auckland exchange; Q - Wellington exchange; R - Christchurch exchange; S - Dunedin exchange; T - Invercargill exchange; U - Queenstown exchange; V - Timaru exchange; W - Blenheim exchange; X - Nelson exchange; Y - Greymouth exchange; Z - Westport exchange.

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MONEY



Luxury Business: Slump With a Silver Lining

By Aline Sullivan

FORGET the arguments over the Clinton effect, and whether it exists or not. Some sectors just don't need it. Take luxury goods manufacturers as an example: This surprisingly evergreen band of companies has always done well, even in the toughest of times.

This past week provided dramatic support for the pro-luxury goods argument when Yves Saint Laurent, styled by some as the king of Paris couture, announced the sale of his business. YSL is to be swallowed up by the perfume and cosmetics division of the French petrochemicals giant Elf Aquitaine at a cost of 3.6 billion French francs (\$645 million). And all this at a time when analysts had been expressing concern over the financial health of the company. Earnings forecasts had been revised down to 130 million francs for 1992, compared with 233 million a year earlier.

In the teeth of a world recession, the sale of YSL to the state-owned company represents a triumph, in financial terms at least, for Mr. Saint Laurent and his business partner, Pierre Bergé. Their recent business history, after 30 years of building YSL's reputation in haute couture, well illustrates just how durable luxury goods stock can be.

Back in 1989, Mr. Saint Laurent had investors on the Paris stock market eating out of the palm of his hand. An offer of 400,000 shares at 853 French francs each was oversubscribed a staggering 257 times. The offer was postponed four days, and investors were required to put up a deposit equal to the

value of the shares they wished to purchase. This deterred short-term speculators, but the final offer was still oversubscribed 27 times.

Two-and-a-half years later, Yves Saint Laurent shares had dropped about 40 percent. The company, which generates most of its sales from perfume, suffered the effects of recession, competition and exchange rate fluctuations. Analysts were questioning whether YSL had the financial muscle to meet future product launch costs, although some said the shares were worth buying in case the company became an acquisition target. How right they were.

The YSL experience, however, is not universal. Investors in Christian Dior, another French fashion house, have had a grim experience in recent years. Shares in the company have dropped almost 50 percent since they were sold to the public a year ago. The simple fact is that the recession of the early 1990s has depressed demand for luxury goods. Consumers have focused on value for money at the expense of designer labels — although with the sale of YSL, speculation about the possibility of further takeovers is beginning to hot up.

Analysts, however, are counseling caution. "Shares in luxury goods companies are attractive now if investors are prepared to take a long-term view," said Patrick Kirby, a retail analyst at Nikko Europe in London. "Once the Japanese market recovers, there should be more interest from consumers in Japan and other markets in the Far East."

Analysts also advise that the Japanese and continental European markets will not show a sustained recovery until 1994 at the earliest.

Demand in the United States, the biggest market for luxury goods, is beginning to rise as the country's economy improves, but value of the dollar against the French franc (still considered low by many, despite the greenback's recent strong showing) continues to undermine sales. For the next year, at least, shares in luxury goods companies are likely to remain depressed.

LVMH (Louis Vuitton Moët Hennessy), the biggest luxury goods company in the world, has had a tough year. Over the past three months, its share price has underperformed the French stock market as a whole by around 10 percent. During the first nine months of 1992, wine and spirits sales fell 7 percent and luggage turnover was flat.

The company was saved from going into a nosedive by its perfume and beauty products division, which recorded a 26 percent rise in sales over the first nine months of the year. Heavy investments in two new fragrances, Dune and Amarige, started to pay off but are below the company's expectations.

"It seems imprudent to expect a sustained recovery in LVMH's earnings growth until well into 1994," said Mr. Kirby. "Slowing economic growth in continental Europe, coupled with the current downturn in Japan, will ensure that consumer confidence in these markets remains under pressure throughout next year."

LVMH is unique. No other publicly owned company offers investors exposure to such a broad range of luxury goods businesses. The problem for investors seeking the chance to profit from economic recovery by investing in luxury goods companies is that most of the firms are privately owned. Those that are listed on stock exchanges commonly have multifarious interests unrelated to luxury goods. Even LVMH has a 23 percent stake in the Anglo-Irish brewing group Guinness.

Nevertheless, a number of major stock exchange quoted groups have exposure to the luxury goods market through subsidiaries. They may not offer the growth potential of LVMH during economic boom periods like the late 1980s, but their diversity offers insurance against the volatility of the luxury goods market.

One such is Richemont, a Swiss holding company quoted on the Zurich stock exchange that controls several of the world's leading luxury goods companies. These include Cartier, the French watch and jewelry maker, and Dunhill, the diversified British luxury goods group. Richemont also owns a small stake in Yves Saint Laurent. All told, Richemont derives about 40 percent of its profits from luxury goods. Most of the remainder is made up of tobacco sales through its majority-owned British subsidiary Rothmans.

Richemont shares some characteristics with BAT, the British tobacco and financial services giant. But instead of pumping the cash flow from its tobacco business into insurance, as BAT has done, Richemont has opted for luxury goods businesses such as Cartier and Montblanc, the German luxury goods manufacturer owned by Dunhill, require heavy marketing investment to maintain their brand image.

"The tobacco side of Richemont is fairly

stable while the luxury goods has slowed down in the past year," said Felicity Smith, Swiss market analyst at Hoare Govett in London. She expects Richemont shares to "remain dull" until 1994, when luxury goods sales will rise.

Several of the Richemont subsidiaries are partially quoted on their respective stock exchanges. Dunhill, which is 57 percent owned by Rothmans, is 43 percent publicly owned. In recent years, the company has diversified from its smokers' accessories business so that this now accounts for less than 5 percent of Dunhill's sales. More emphasis has been placed on high-ticket items such as luggage. Dunhill also owns luxury pen maker Montblanc and women's fashion house Chloé.

Analysts applaud Dunhill's product mix. However, the company's position as the No. 1 male luxury brand in Japan has made it vulnerable to the downturn in that country's economy. The Far East accounted for 46 percent of Dunhill's sales last year.

"Dunhill looks quite cheap compared with other British stocks," said Ian Maddougall, a retail analyst at Nomura Research Institute Europe. "The company has taken a beating in the luxury goods market recently because Japanese buyers are its biggest customers. But the U.S. is its second biggest market and the economy there is picking up." He rates Dunhill a "long-term buy."

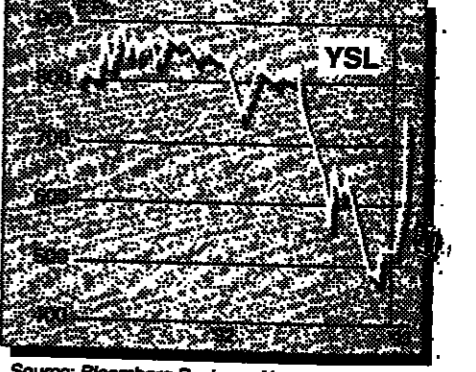
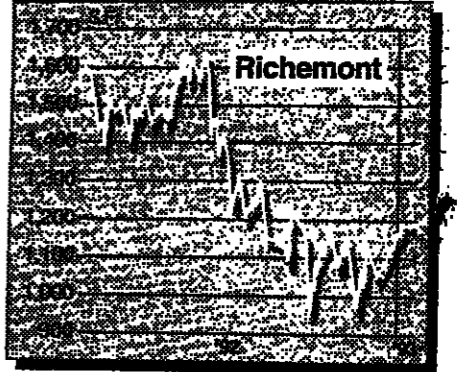
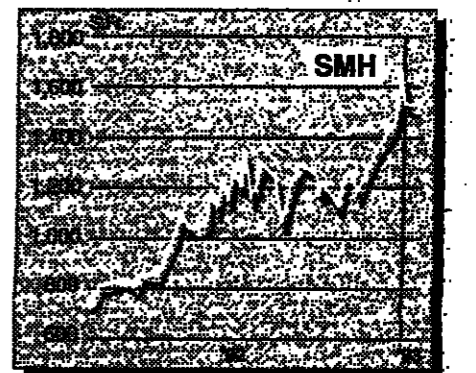
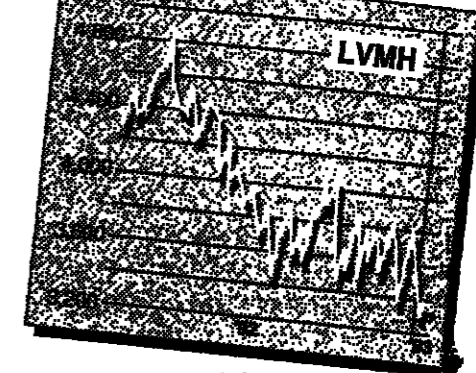
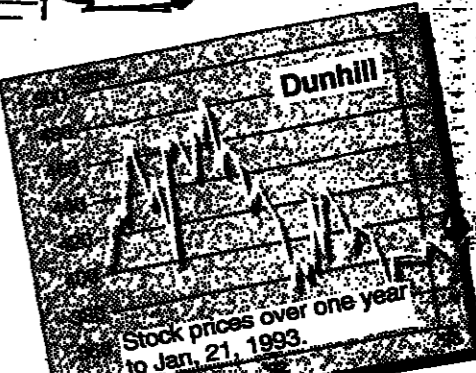
SMH is another Swiss company heavily exposed to the luxury goods market. The company, whose full name is the Swiss Corporation for Microelectronics and Watchmaking Industries Ltd., is the world's leading Swiss manufacturer of watches and watch movements, with 14 percent of the world market share by value.

Goldman Sachs analyst Martin Newson rates SMH a "buy" and estimates the company's post-1993 growth rate at between 10 percent and 13 percent after an estimated 34 percent rise in profits in 1992. SMH will benefit from the continued popularity of its Swatch brand and from the acquisition in July of high-quality watchmaker Blancpain, he said.

"The world watch market has grown by 8 percent per annum for the last five years," said Mr. Newson. "One of the reasons for this strong growth is that consumers are starting to look at watches more as a fashion accessory than as a functional piece of equipment. We think this trend will continue."

Analysis at bankers Pictet & Cie. in Geneva are also bullish on SMH shares. The group has emerged virtually unscathed from economic downturn thanks to its highly diversified product mix of watches and telecommunications equipment, the analysts said. The Blancpain acquisition will boost SMH's presence in the profitable luxury watch market.

As recession tightens its grip on Europe, it would take an optimistic investor to put much money into the Continent's luxury goods manufacturers. Unless, that is, the price of luxury goods stocks reflects the general economic gloom so fully that they become just too tempting to potential purchasers.



Source: Bloomberg Business News

FIRST COLUMN

U.S. Waiting For Cavalry To Arrive

EVEN though President Clinton has looked good on camera this past week, not everything will follow the scripted happy endings — as the fumbled Zoe Baird nomination has already demonstrated. For financiers and economists, the real and very worrying question whether the cavalry will arrive too late.

The recovery has been threatening to finally break the hill and appear on the skyline for some time now. Economists have been remarking on the distant drumming of hooves on the plain for months. But, when a new economic life force arrives, what will there be left to save?

You can answer that question any number of ways. A geographic analysis throws up broadly the same answer on three continents. In North America, Europe and Asia (apart from the booming Pacific rim, which knows all about collapses but doesn't seem to understand the meaning of the word recession), the response is: "There'll be plenty left for a sustained recovery, but it will be led from unexpected areas."

Unexpected, that is, unless you take the view that the developed economies have produced gigantic companies that were ready to go the way of the mammoth. That is not to say that giant corporations like IBM, whose results this week were just as bad as expected, are about to become extinct; they simply have to evolve from mammoths into elephants to survive. General Motors and the Japanese banks should take note of IBM's avowed intention to break itself up.

Aside from the United States itself, the Clinton presidency is probably more important for Japan than for any other country. The trade dispute between the two countries needs extraordinarily careful handling.

The best-case scenario would be for President Clinton to persuade the Japanese that there really is such a thing as protectionism, as opposed to loyal nationalistic consumer choice in the Japanese market. That will be the time to buy warrants, or funds investing in warrants, in second-rank Japanese corporations. The only problem is that times have been so tough for Tokyo shares that the warrant market may not survive — in which case, the cavalry will have arrived too late.

M.B.

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Norway N.Kr.	3,300	1,800	980
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Spain Pes.	45,000	25,000	13,750
hand deliv. Madrid Pes.	55,000	30,000	16,250
Sweden (normal) S.Kr.	2,800	1,500	800
hand delivery S.Kr.	3,300	1,800	950
Switzerland S.Fr.	590	320	180
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Stock Pickers See Promise in Pakistan

By Rupert Bruce

PAKISTAN is best known in the West for its fragile politics, disputes with India, cheap cotton, and for being thoroughly Third World. Few would imagine it to have a rapidly growing economy, let alone a promising stock market.

Yet, in the Muslim world, Pakistan is one of the biggest stock markets accessible to foreign investors, and even some Western money managers regard it as one of the cheapest markets.

All the usual arguments in favor of emerging markets apply: Pakistan's real gross domestic product is forecast to grow at a rate of more than 5 percent over the next few years, according to Credit Lyonnais (Asia), providing a fertile climate for corporate earnings. And the government has embarked on a privatization program that should both enhance corporate efficiency and stock market liquidity.

But there is a distinction. Kenneth King, investment director at Kleinwort Benson Investment Management and London-based head of the team that manages the Guernsey Kleinwort Benson Emerging Markets Fund, said: "What we most like about the market is that there are a load of stocks that are quite cheap. On company earnings defined in the way an Englishman or an American would recognize them, the market trades on an average multiple [that is, a

multiple of share price to 1993 earnings per share] of about 10 times. And there are plenty of companies you would feel like buying even on higher multiples."

"Sometimes you get these markets that, on average, look cheap, and you find there are some really dull companies in there that deserve to be on multiples of six. Anything you would really like to buy is on 20 or something. But in Pakistan there were a load of companies that we rather felt like buying, which were on multiples in the low teens."

Some brokers are forecasting that many of these companies' earnings will now grow at up to 15 percent a year in real terms, or after adjusting for inflation.

But the stock market has not always been this cheap. In mid-January 1992, the Karachi Stock Exchange 100 Index peaked at 1,705. It has since slid back to levels around the 1,250 mark.

That slide has been mirrored by the performance of Morgan Grenfell Asset Management's Cayman Islands Pakistan Fund, which fell by 25.35 percent in U.S. dollar terms over the year to Dec. 31.

The market's rise to its 1992 peak was sharp and rapid during 1991, the year when it was opened to foreigners, largely in anticipation of a wave of foreign investment.

Another factor was said to be enthusiasm for the economic reforms of Prime Minister Nawaz Sharif.

In recent weeks, the market has been almost torpid, barely moving more than 10 points on any one

day. So what will get share prices moving again?

Steve Rhodes, Pakistan country head at Crédit Lyonnais (Asia), said: "We probably have found a fairly solid floor but, having said that, I do not know that will be the great instigator to get the market moving again in the short term." He calculates that the average multiple for 1993 earnings is about 11 times. Compared with the Bombay Stock Exchange's 1993 multiple of 22, he says the market is fair value.

AT THE moment, he added, the market is stagnant because it is the 1992 results season for textiles companies. These companies suffered last year as demand for cotton from the United States and other recession-struck customers fell. So the results are not very good.

Mr. Rhodes hopes that the good earnings growth expected for the top 60 companies once the gloomy textile results are out of the way will push the market higher. But, he says, "you will have to wait for the results. This market is not a great discounter of news." The first set of good results should come through in March.

This is, however, a market where picking the right stock is vitally important. Crédit Lyonnais recommends, among other stocks, Muslim Commercial Bank, a bank that was privatized two years ago, and inherited a lot of bad debts. It has spent the last two years providing

for them and should have a clean balance sheet by the end of 1993, according to the broker.

Another recommendation is Indus Motor Co. (Toyota) a typical Asian emerging markets play. This is a joint venture between the Japanese car giant and a local family, which is beginning to assemble the Toyota Corolla locally.

Despite all of this, the market has its problems. Mark Mobius, head of Templeton's emerging markets funds, owns very few Pakistani stocks. He said: "It is very difficult to get stock because the brokers are illiquid, also the local brokers may front run an order, so the stock price can move up sharply ahead of an order."

"Another problem is that it is very, very easy to get a listing on the exchange, and so the companies do not have a history. Many of the companies will say, 'Oh, we want to build a factory, and will list a new company to raise the money and build the factory. Many of these stocks are really venture capital companies.'"

"So you have the complications of an emerging markets funds with a venture capital twist to it."

Other problems that dog the market are a burgeoning public-sector deficit, swollen by lavish arms spending, which brokers estimate will be more than 7 percent of GDP in 1992, the dispute over Kashmir with India, and the prospect of Benazir Bhutto's Pakistan People's Party returning to power, and reversing many of today's economic reforms.

THE MONEY REPORT

Rock's Memorabilia Is on an Auction Roll

By Judith Rehak

IF THE enduring influence of rock 'n' roll on American culture, needs further proof, consider a few events of the past two weeks.

On Jan. 8, thousands of Elvis Presley fans, stamp collectors and ordinary citizens mobbed post offices across the United States to buy the first-day issue of Elvis stamps.

And then there was the appearance of the Fleetwood Mac rock group at the gala on the eve of President Bill Clinton's inauguration Wednesday.

So it should come as no surprise that tony auction houses like Sotheby's and Christie's now find it worth their while to sell everything from autographed Beatles posters to a velvet vest worn by Jimi Hendrix, which went for an eye-popping \$19,800 last May at Sotheby's in New York.

Collectors of rock 'n' roll memorabilia run the gamut of national-

ities and ages, but the most fervent were in their teens or early twenties in the 1960s and '70s. "It's the music they grew up with," says Rob Levine, Sotheby's rock 'n' roll specialist. "It defines a generation, and they're willing to pay for a piece of it."

Among the most sought-after collectibles are classic Beatles material, with John Lennon commanding top dollar, the Rolling Stones, Elvis, and more contemporarily, Michael Jackson, Prince and Madonna. An icon of the turbulent '60s with a large following among Americans is Bob Dylan, because of his grass-roots political awareness. "He's still alive, but he does well because he's low profile and therefore has more mystique," notes Mr. Levine.

Clothing owned by rock stars is the priciest part of the market: A leather jacket worn by John Lennon in the early '60s was hammered down for \$24,000 (\$37,000) last year at Christie's; the auction house will place Michael Jackson's sequined jacket from his famed Pepsi commercial on the block for an estimated \$8,000-\$10,000 at its upcoming May 14 sale. Instruments can be equally valuable: The guitar used by Elvis Presley to serenade actress Ann-Margret in the film "Viva Las Vegas" will be a highlight of a March 17 sale at Wolfers Auctions in San Francisco. The pre-sale estimate is \$30,000-\$50,000, said Jack Wolfers, whose last rock 'n' roll auction attracted bidders from as far afield as Spain and Australia.

Untimely death can send values soaring as well. "Freddie Mercury's hot right now," says Mr. Levine of the lead singer of the British rock group Queen, who died of AIDS last year. A costume worn by Mercury sold for twice its pre-sale estimate at Christie's shortly after his death, and Sotheby's hopes to feature his piano at its next auction on

But how can you be sure that the sweaty jacket was really worn by Elvis?

June 25. The instrument is estimated to sell at \$5,000-\$7,000. Mr. Wolfers expects that a dress worn by singer Janis Joplin at the Newport Jazz Festival in 1968 should fetch at least \$20,000. "It's sought after because her career was so short," he says, referring to the singer's death at age 27 from a drug overdose.

Collectors with less cash can

spring for autographed posters, albums and photos, which, if chosen selectively, can also appreciate in value. For example, Giles Moon, a pop expert at Christie's in London, notes that an autographed photo of the Beatles in Edwardian bathing costumes sold for £300 in 1987; recently, a similar photo sold for £800. Mr. Wolfers bought a mint-condition 1978 poster for a Grateful Dead concert in Egypt, signed by the artist, for \$500, and sold it for \$800. Also in a lower price range is a new category, the original art for album covers, signed by the artist.

Some collectibles are downright wacky. A die-hard Beatles fan recently handed Christie's \$1,200 for nine scrapbooks containing such exotica as a piece of toast left over from George Harrison's breakfast, a scrap of his blanket and an old sock, all given to the collector by George's mum.

One of the trickiest issues surrounding rock 'n' roll memorabilia is authenticity. How can you be sure that the sweaty jacket was really worn by Elvis? Best is a letter stating that an item was worn or used by a star. Even better is a

photograph of the performer wearing the outfit or using the instrument. Autographs can be particularly difficult, says Mr. Moon, who seeks a second opinion if he is uncertain. "If we're not totally comfortable, we won't sell it," he says. Most collectors get started because they want to own collectibles of an artist who is special to them. Once a performer is chosen, they should, if possible, visit pre-auction exhibitions where they can review catalogs and discuss past prices and quality with experts. (Catalogs can also be ordered through the mail.)

While the top end of the rock 'n' roll market is appreciating steadily, some items may merely be salable, but not necessarily increasing in value, warn the experts. "Be careful not to pay too much," cautions Mr. Levine, citing Jimi Hendrix's vest, which carried a pre-sale estimate of only \$1,500, but sold for \$19,800. "You probably couldn't sell it for that today," he says. "Don't get carried away. Similar items will be available again, so don't be discouraged if you don't get it the first time around."

Top Performing International Funds

Leading mutual funds from Belgium, Britain, France, Germany, Ireland, Italy, Luxembourg, Offshore, Switzerland and the United States. Values of \$1,000, unless otherwise indicated, excluding charges.

Over one month to Jan. 18, 1993.

Table with columns: Fund Name, Type, Performance, and Value. Lists various international funds like Baxendale Investment Co., Infiniti Ltd., etc.

Source: Micropal International Herald Tribune



From vests to toast, collectors should visit pre-auction exhibitions

So You're in Outer Ptomania and the Flu Hits...

By Kate Bales

MEDICAL coverage when working or traveling abroad is one of those small details of life that often get overlooked. However, for the expatriate who gets the flu in Cairo or slips and breaks his leg in Kuala Lumpur, those little details of life suddenly take on critical importance.

The sort of cover you need depends on who you are and where you are. Four common scenarios for European and U.S. nationals follow.

are limited to services rendered by public facilities accepting Social Security, and must arrange separate coverage if they wish to go to private physicians.

Citizens of EC countries traveling outside the EC.

Many EC countries have bilateral agreements with nations throughout the world and voyagers should check with the local department of Social Security before traveling to find out if their own state's coverage is valid in the country to which they are going.

For those countries that have not signed bilateral accords, travelers must obtain private insurance or expect to pay cash should they need medical care.

The British Consulate spokesperson also advises that "Anyone, from any country, traveling to remote destinations should make sure that he is not only covered for emergency treatment, but that his policy covers evacuation costs.

If you find yourself requiring heart surgery in the middle of a small Third World nation, you want to know you can get airlifted to the nearest qualified facility.

U.S. nationals working or traveling abroad.

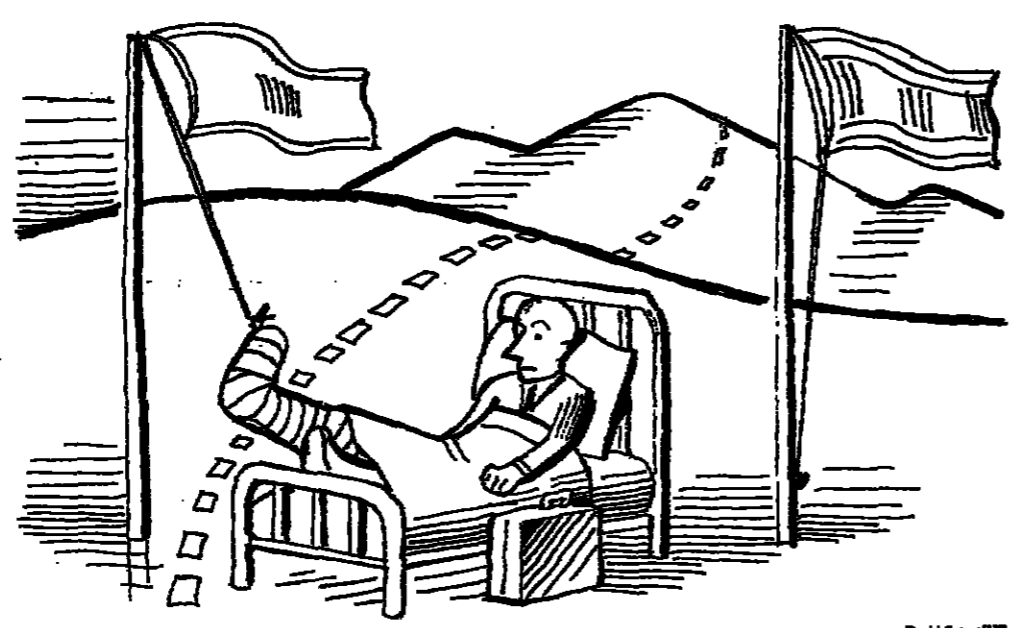
The sole option here is private medical coverage. Moreover, many U.S. policies will not honor expenses incurred overseas, and citizens must remember to check their policy exclusions in advance.

The Association of Americans Resident Overseas (AARO), and the Federated League of Americans Around the Globe (FLAG) both offer full coverage programs for expatriates residing full time abroad.

U.S. nationals working or traveling abroad.

The sole option here is private medical coverage. Moreover, many U.S. policies will not honor expenses incurred overseas, and citizens must remember to check their policy exclusions in advance.

American voyagers who are going overseas for short-term jaunts can find several limited policies offered through local travel offices, or, where applicable, consider the American Express medical policy offered to cardholders.



David Sawyer/IFT

For Foreigners, the U.S. Still Seems a Tax Haven

By Robert C. Siner

HIGHLY favorable political and economic climate has made the United States a top attraction for foreign investment in stocks, bonds and other portfolio investments, but there are some dark clouds on the horizon, an expert in the field cautions.

Mr. Schneidman, a partner and head of the tax area of the Boston Law firm of Foley, Hoag & Eliot, defined portfolio investment as passive investments over which the investor has little control beyond buying and selling. By contrast, in active or direct investment the investor actually has a voice in the running of the enterprise in which he has invested.

In addition, the United States is, in many respects, a tax haven for foreign capital, Mr. Schneidman said, and with proper planning the interest, dividends, and capital gains income from portfolio investments will have little or no U.S. tax liability.

This favorable treatment is expected to continue for most foreign investors, Mr. Schneidman said. However, he saw warning signs in the discussion of taxing certain types of foreign portfolio income as a means of raising revenue to reduce the deficit.

In addition, there is President Bill Clinton's oft-repeated promise to raise revenue by making foreign ventures in the United States pay their "fair share" of American taxes. While his proposals are aimed at foreign subsidiaries doing business in the United States, it could be expanded to include other kinds of

foreign economic activity in the United States.

An example of this type of expansion can be found in legislation proposed last year that would have taxed the capital gains income of some foreign stockholders. Capital gains income by nonresident foreign investors has never been subject to U.S. tax.

When considering a portfolio investment in the United States, Mr. Schneidman said the investor and his tax advisers must have a thorough understanding of U.S. tax laws to structure his investments so as to gain the most favorable tax treatment possible.

U.S. income taxes on portfolio investment income (interest and dividends) by foreigners is subject to a 30 percent tax withheld at the source.

However, there are so many exceptions to this rule, Mr. Schneidman said, that "taxability of a foreign investor on interest income is more a result of poor planning than of the tax code. These exceptions include interest on bank deposits, interest paid by a U.S. state or municipality, certain portfolio interest paid to foreign taxpayers, and original issues with a term to maturity of 183 days or less.

In addition, the United States has bilateral tax treaties with more than 30 nations and in many of these the tax rate on investment income is lowered.

BRIEFCASE

New York Mutual Fund Offers German Bonds

The trend to more international fund investment continues. Huntington, a New York-based fund group, which manages assets of approximately \$150 million, has just launched what it claims is "the first U.S. mutual fund designed to invest primarily in German government bonds."

Minimum investment is \$2,500, and there is a sales charge of 3 percent. For more information, call Huntington on (1) 818 795 0039; investors within the United States, may use a toll-free number: 1 800 354 4111.

U.K. Bond Strategy For Defensive Play

Those who prefer British government bonds to their German counterparts will be interested in a new fund from British manager M&G Securities. The firm's new Treasury Fund distributes income monthly, and has no initial charge, with an annual levy of just 0.6 percent.

"Our aim is to provide income and capital stability through investment primarily in sterling Treasury bills and, as such, to offer admirable defensive qualities to investors wary of volatility in equity markets," said Peter Emms, M&G's marketing director.

The low charging structure represents a departure for the British fund industry, which typically charges its clients more than 5 percent up front, with annual fees running at around 1 percent.

Poll of Air Passengers Sets Clinton Priorities

Business executives traveling between London and Paris and the United States on Continental Airlines' new BusinessFirst class were asked last week by the Roper Organization to voice their expectations for the Clinton presidency and identify priorities for the first 100 days. Twenty-eight percent were pessimistic compared with 41 percent when the same survey was taken in November; 25 percent of the general public is pessimistic.

Sixty-one percent said that Mr. Clinton should immediately tackle the budget deficit, 57 percent called

Plastic Money Adds Network in Europe

A universal currency may be far off in Europe, and not even envisaged in a global context, but developments in the world of plastic money soon obviate the need for one note — at least from the consumer's point of view.

Europay, a Belgium-based financial company, has announced a deal with the CIRRUS network of cash machines. Linking up with the Eurocard-MasterCard Automated Telling Machines (ATMs), Europay now claims more than 120,000 linked ATMs.

Europay, whose main competitor is the VISA network, aims to be the best international services provider in Europe. The firm also operates the Eurocheque system.

So, while it may not offer the best of all possible worlds at once, on the basic investment principle that diversification is a good idea, the bond is probably worth a long second look for investors who want to spread a little money outside the United States.

Advertisement for High interest on your US-dollar investment! by JYSKE BANK. Includes details about investment packages and contact information.

Advertisement for DOLLAR INVESTMENT PACKAGE. Includes details about investment packages and contact information for JYSKE BANK.

Advertisement for Lombard Classic 90 account. Includes details about account features, interest rates, and contact information.

SPORTS BASKETBALL

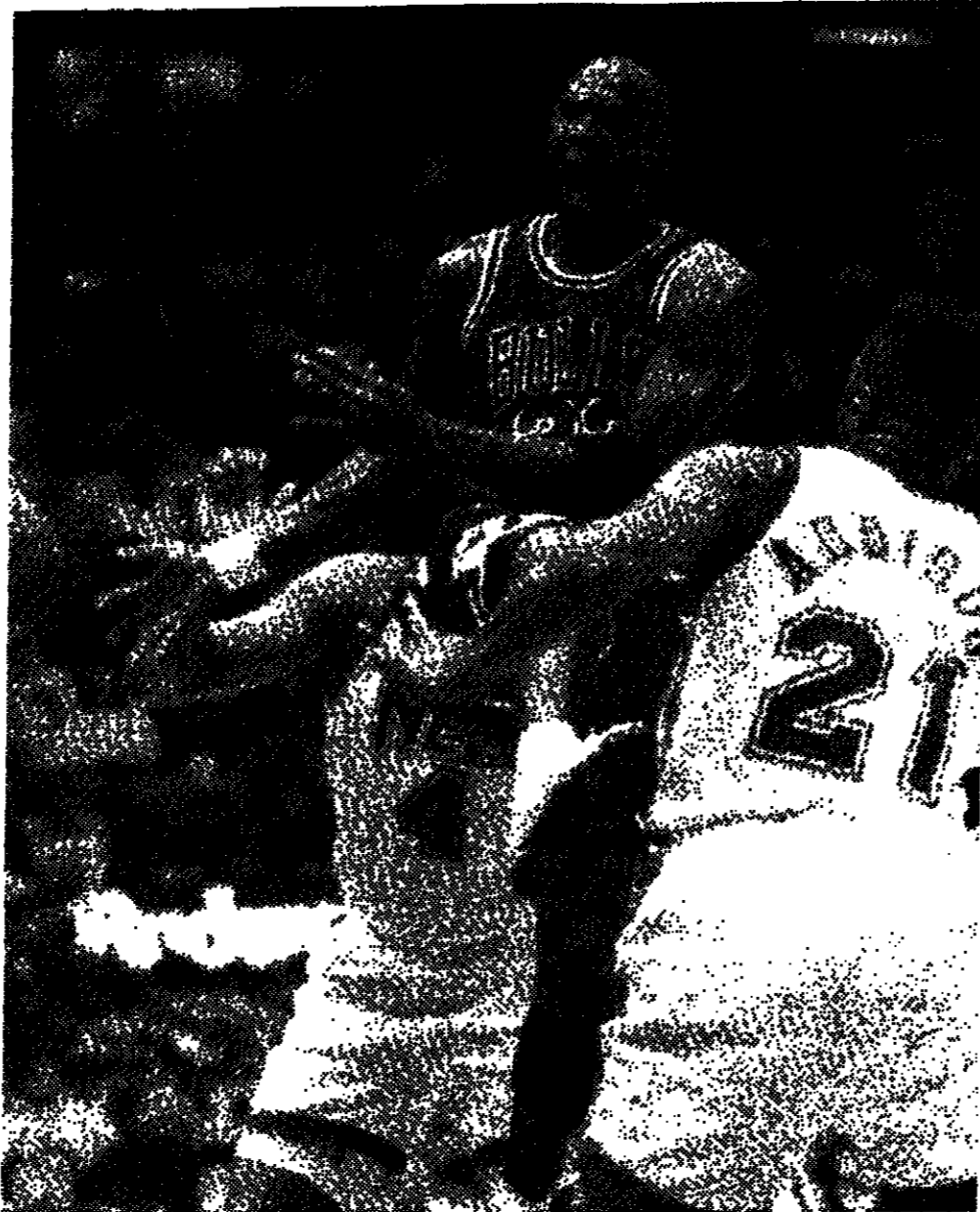
Georgia Tech Loses 3d in Row, 81-58, To Wake Forest

The Associated Press
Since knocking Duke from the ranks of the unbeaten and from the top spot in college basketball, there has been one disaster after another for Georgia Tech.

COLLEGE BASKETBALL

downward spiral." But it would be hard to imagine things getting any worse.
"Our confidence level is down," Cremins said after Wake Forest stunned the 16th-ranked Yellow Jackets, 81-58, on Thursday night in Atlanta. "We need a great game to come out of this now."
The loss was the third straight for Georgia Tech. After beating Duke on Jan. 10, it lost to North Carolina and was embarrassed, 84-67, by the College of Charleston.
Rodney Rogers and Randolph Childress sparked runs of 11-0 and 16-0 as Wake Forest raced to a 43-16 lead in the first half.
"I didn't think it could get that bad that early," Cremins said.
Rogers scored 29 points and Childress 18 as the Demon Deacons ended a 10-game losing streak at Tech, dating from a 74-56 victory on Jan. 2, 1992.
Wake Forest (10-3, 2-2) shot 75 percent in the first half and 61 percent overall. Rogers made 10 of 11 shots and 9 of 10 free throws.
James Forrest scored 21 points for Georgia Tech (9-4, 2-2).
No. 6 Duke 92, N. Carolina St. 56. In Durham, North Carolina, Grant Hill scored 14 of his 20

points in the first half for Duke, which handed its Atlantic Coast Conference rival North Carolina State (4-8, 0-4) its second-worst defeat in the 186-game series.
The Blue Devils (13-2, 3-2) got 17 points from Thomas Hill, who scored 9 of their first 15 points. Duke made 10 of its first 12 shots.
No. 22 Utah 82, Hawaii 67: Remaining unbeaten in the Western Athletic Conference, the Utes won their eighth straight and made it 9-0 at home this season.
Byron Wilson scored 24 points and led a surge that broke the game open.
Wilson scored eight of 28 points as the Utes (12-2, 6-0) turned a 20-20 tie with 10:13 left in the first half into a 48-29 lead at the break.
Hawaii (5-9, 1-5), which has lost five straight games, got 17 points from Chris Walz and 16 from Bert Woodward. Josh Grant added 17 points and 12 rebounds for Utah.
No. 23 UCLA 84, Stanford 76: In Los Angeles, a 16-3 surge by the Bruins ended the Cardinal's bid for an upset.
After Marcus Lollie scored five points during a 7-0 run to give Stanford a 44-41 lead, UCLA moved easily to a 57-47 advantage.
Ed O'Bannon scored 19 points, Shon Tarver 18 and Kevin Dempsey came off the bench to add 14 for the Bruins (11-4, 3-2). The Cardinal (6-1, 1-3) was led by Dion Cross with a career-high 18 points.
No. 25 Long Beach St. 72, Cal. St. Fullerton 58: Chris Tower made 8 of 13 shots — including two of three from 3-point range — scored 24 points and had eight rebounds for the 49ers (13-2, 6-2 Big West).



Michael Jordan brought two Nets' defenders his way, then passed off the ball. Jordan poured in 30 points, leading all scorers, in the Chicago Bulls' 107-94 victory in East Rutherford, New Jersey.

Olympics No Dream For Jordan

By Harvey Araton
New York Times Service
EAST RUTHERFORD, N.J. — If he had to do it over again, Michael Jordan would have passed on the Olympics Games last summer. Once the business of the National Basketball Association championship had been taken care of, he would have headed straight to the golf course in Hilton Head, South Carolina, instead of carrying his clubs from San Diego to Portland to Monte Carlo to Barcelona.
Playing for pay from October until deep into June and then for his country and his basketball shoe company was simply too much, Jordan has decided.

"I'd done it before," he said Thursday before his Chicago Bulls defeated the New Jersey Nets here, referring to his gold medal with the 1984 Olympic team. "I didn't have anything to prove."
USA Basketball has announced that a committee will be formed Feb. 1 in Chicago to select the team that will represent the United States at the 1994 world championships in Toronto, and Jordan was skeptical that the league's top players would be quick to sacrifice their summers to beat up on republics like Croatia, Lithuania and other assorted teams eager to shake hands with the NBA millionaires.

"I think it's going to be easy to get guys to play, but your top players, it may be a different story," Jordan said. "I don't know if the clubs will want them to do it. You see those of us who played getting banged up so early in the season. You have to give some of that to playing in the Olympics."
Players like Shaquille O'Neal, Tim Hardaway, Kevin Johnson and Larry Johnson are already being mentioned for positions on Dream Team II, with the possibility that the nucleus of players, and coaches picked for the world championships might be held over for the 1996 Olympic Games in Atlanta. Thus, an invitation turned down for Toronto might, in effect, eliminate a player for Atlanta.

Collegians Included
The U.S. team at the world basketball championships might be dominated by NBA stars, but officials emphasize the selection process will include college players. The Associated Press reported from Colorado Springs.
After meeting with USA Basketball officials, the U.S. Olympic Committee president, Dr. LeRoy Walker, said Thursday that it was agreed that the selection of the team "won't disenfranchise anybody."
"Athletes, both collegiate and those about to become pros, will be included," he said.
"Our concern at the USOC is not so much with professionals, but that we give everyone an equal shot at making the team," he said.
Walker noted that USA Basketball would not pick the squad for the Toronto world championships. "We at the USOC don't select," he said. "We just approve the process."

Olajuwon Blows Out the Pistons' Lights

The Associated Press
Hakeem Olajuwon, who isn't adept at blowing out candles, is a terror at blowing away the opposition on his birthday.
Olajuwon celebrated his 30th Thursday night with 38 points and seven blocked shots as the Rockets improved their record to 5-0 when he plays on his birthday with a 126-120 victory over the Detroit Pistons. It also was Houston's seventh straight victory after seven losses in a row.

Before the game, Olajuwon was given a birthday cake, but his teammates rigged it with trick candles. "I played better than trying to blow out the candles," he said.
Olajuwon missed a game on his birthday in 1991 because of an injury, and Houston lost to Sacramento, 97-94. It came back on Jan. 21 last year with a 117-107 triumph over Milwaukee.
"He looks like he's playing younger now," said guard Kenny Smith, who had 19 points and 11 assists for the Rockets.

Houston, which also got 22 points from Vernon Maxwell, took a 102-87 lead into the fourth period, but the Pistons closed to 115-112 with 3:21 left. Olajuwon kept the Rockets ahead with eight points in the last 6:22.
Joe Dumars scored 32 points and Isiah Thomas 30 for Detroit, which lost its fourth straight game and sixth in a row on the road.
The Rockets hit 12 straight points during a 29-13 spurt in a span of 7:02 in the first quarter. They led by 67-56 at halftime.
Nuggets 110, Mavericks 94: Dallas, hoping to turn around its miserable season with con-

secutive victories, couldn't pull it off as Denver ended a 13-game road losing streak.
Chris Jackson scored 24 points, including the last four of an 8-2 final-quarter spurt that sent the Mavericks to their 31st loss in 34 games. Dallas had beaten Detroit by 113-103 on Tuesday, snapping a 15-game losing streak.
The Nuggets also got 19 points from Reggie Williams, 16 rebounds from LaPhonso Ellis and 15 rebounds from Dikembe Mutombo.

NBA HIGHLIGHTS
Tracy Moore scored 16 points and Terry Davis grabbed 19 rebounds for the Mavericks.
Denver is now 2-18 on the road this season, with its only other victory coming at Los Angeles against the Clippers on Nov. 27.
Bulls 107, Nets 94: Chicago won on the road, snapping New Jersey's five-game winning streak, as Michael Jordan scored 12 of his 30 points in the first quarter when the Bulls took the lead for good.
While opening a 14-5 lead, Chicago limited the Nets to 1-for-9 shooting and led by 12 three times in the first quarter. The Bulls extended the margin to 59-45 at halftime, and the closest New Jersey got in the second half was six points.
"We had a couple of days off, and we really focused in on this game," Jordan said. "In the past we might have had a tendency to look past this team. Tonight we got out of the blocks early and put them on their heels."
Winners of 11 of 16 games and threatening to catch New York in the Atlantic Division, the Nets lost to Chicago for the eighth straight time.

Bucks 110, Pacers 108: Milwaukee broke a seven-game losing streak by winning on the road, with Blue Edwards scoring 27 points and Todd Day 24.
The Bucks didn't allow Indiana a field goal in the final four minutes, but despite the drought the Pacers still had a chance to win. With Milwaukee leading by 109-108, George McClellan's inbound pass with two seconds left flew over the head of Dale Davis.
Eric Murdock, who scored 20 points for Milwaukee, hit a free throw with 1.7 seconds left for the final margin.

Bullets Release King
The Washington Bullets released forward Bernard King on Thursday, ending a once-fraternal relationship that had deteriorated into a public rift between the 36-year-old forward and the team over money, playing time and the future of the club, The Washington Post reported.
Wes Unseld, the coach, informed King of the decision, which was reached after King took part in his third full practice with the team Thursday. King had returned Jan. 1 after spending 16 months away from the team while recovering from arthroscopic knee surgery.
King could not be reached for a comment.
It would take King 48 hours to clear waivers. After that he will be free to sign with any club without Washington's receiving compensation. A team can pick up King for the NBA minimum salary of \$140,000, prorated to cover only the remainder of the season. The Bullets will continue to pay him his \$2.5 million salary for the rest of the season.

Lewis Offers Foreman Fight

The Associated Press
NEW YORK — Lennox Lewis, the World Boxing Council champion, has offered George Foreman another chance to fight for the heavyweight title, promising him at least \$8 million.

Lewis's manager, Frank Maloney, made the offer from London in a letter to Foreman dated Jan. 18. Maloney said Lewis would fight Foreman within 120 days after making his mandatory defense against Tony Tucker on April 24. The letter gave a Friday deadline and went to Foreman, the promoter Bob Arum, Time Warner Sports president's, Seth Abraham and Foreman's advisor, Ron Weathers.

Foreman would get \$8 million or 40 percent of the net revenues for the fight, which would be held in the United States. Arum said Friday that he and Weathers responded to Maloney's offer and that there was no longer a deadline. He said he, Maloney and Weathers would "sit down and explore" the offer.

DENNIS THE MENACE



IT'S RUDE ENOUGH WHEN HE CALLS ME "GEORGE," BUT I REALLY DRAW THE LINE AT "DAD!"

JUMBLE THAT SCRAMBLED WORD GAME
Unscramble these four jumbles, one letter to each square, to form four ordinary words.
ACOOOC
BLAYM
WETSOB
CASMIO
Print answer here: _____

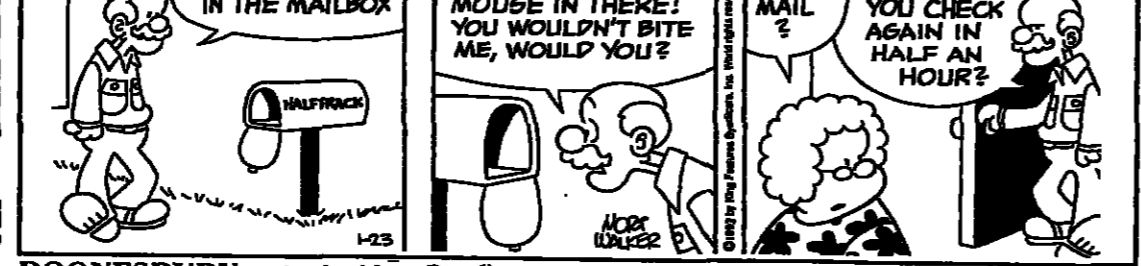
PEANUTS



WHY ARE YOU LYING HERE ON YOUR BACK LIKE A TURTLE, BIG BROTHER? I SLIPPED ON THE ICE, AND NOW I CAN'T GET UP. I'M GOING TO HAVE TO LIE HERE FOR THE REST OF MY LIFE.. SHOULD I START MOVING MY THINGS INTO YOUR ROOM?



BLONDIE
DAGWOOD! THAT SANDWICH IS RIDICULOUSLY LARGE
I KNOW, I GUESS I GOT CARRIED AWAY
WHAT'S THE MATTER, HONEY? CAN'T YOU SLEEP?
I CAN SLEEP, OKAY... I JUST CAN'T TURN OVER

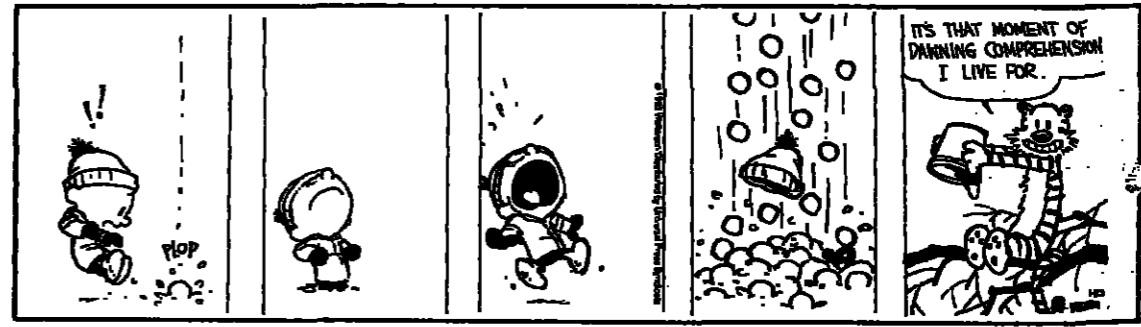


BEEBLE BAILEY
AH, SOMETHING IN THE MAILBOX
OOPS! A LITTLE MOUSE IN THERE! YOU WOULDN'T BITE ME, WOULD YOU?
NO MAIL?
WHY DON'T YOU CHECK AGAIN IN HALF AN HOUR?

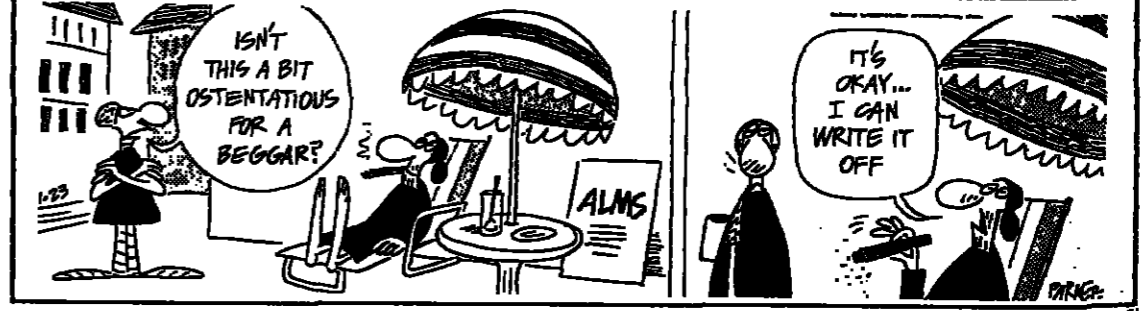


DOONESBURY (Related article on Page 1).
...AND THEN, AFTER ORDERING THE LEGAL SERVICE, I LEFT MY CAR IN THE GARAGE AND DROVE TO WORK.
...AND ENDED UP BEING THE ONLY ONE IN THE OFFICE.
...AND NOW I'M QUITE A LITTLE BIT OF A LEGAL SERVICE INSURANCE.
HOW ABOUT YOU, DORNEY? WERE YOU IN THE OFFICE?
IF I COULD CHOOSE I'D GO INTO THE INSURANCE INDUSTRY.
THE INSURANCE INDUSTRY IS A GREAT ONE TO GET INTO.
MAKE IT BLINK IN OPEN TO ANYTHING, PLEASE.

CALVIN AND HOBBS



IT'S THAT MOMENT OF DAWNING COMPREHENSION I LIVE FOR.



WIZARD OF ID
ISN'T THIS A BIT OSTENTATIOUS FOR A BEGGAR?
IT'S OKAY... I CAN WRITE IT OFF



REX MORGAN
WHAT SAY WE WALK — I NEED TO WORK OFF THAT MANICOTTI?
GOOD IDEA! LET'S STOP AT SPIRO'S MARKET ON THE WAY — I NEED SOME MILK.
I THOUGHT I ASKED YOU TO PUT OUT FRESH APPLES, PETER! THESE ARE TERRIBLE!
GUESS FOREST, POP — SORRY!



GARFIELD
WELL, I THINK I'LL EAT A BIRD!
I GOTTA STOP TALKING TO MYSELF

سكيا من الامم

SPORTS TENNIS

French Group Drops Suit That Blocked Prix

PARIS — French anti-tobacco lobbyists have opened the way for the 1993 French Formula One Grand Prix to be reinstated...

The Sports Ministry said in a statement that anti-tobacco lobby representatives agreed to drop the action at a meeting on Thursday...

The agreement ended any danger of Formula One cars being seized in France and left no obstacles to the staging this season of either the French automobile or motorcycle races...

Both events were struck from the world championship calendar last year because the international federations could not be satisfied that teams would be safe from legal action...

The moves came after Williams-Renault was fined 30 million francs (\$5.5 million) for carrying tobacco advertising in last year's Australian Grand Prix...

The Comité National Centre le Tabacisme, which had brought the action in a regional court in Quimper, agreed on Thursday to drop claims against Williams-Renault...

The French parliament amended the anti-tobacco laws last month to allow cigarette advertising to be shown in television coverage of sports events from countries where such advertising is legal.

If the French race does go ahead, cars would not be allowed to carry tobacco ads, Bredin has said, however, that the law does not require teams to change their cars' colors...

FISA, the governing body of Formula One racing, had dropped the French Grand Prix, scheduled for Magny-Cours on July 4, from its schedule...

The team's owner, Frank Williams, failed to get his entry to FISA in time and now needs the unanimous agreement of the other teams to allow its late entry to be accepted.

Two Italian teams, Minardi and Benetton, are reportedly balking on the go-ahead vote. They are seeking something in return after Williams had opposed certain rule and technical changes.

But on Friday, Williams pledged to resist any technical limitations. "We don't go racing so we can stand in the pit lane next to Ayrton Senna," he told the London Evening Standard.

2 Said to Balk on Williams The Williams-Renault team still faced trouble with FISA concerning its entry for the 1993 season, news agencies reported.

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Jim Courier, pounding a return to Guillaume Raoux in his straight-sets victory: "So far, so good."

Former U.S. Junior Ace Comes of Age at the Open

MELBOURNE The first American man to reach the round of 16 at Flinders Park on Friday was no surprise.

No. 1 seed Jim Courier, with his cap pulled low and his power game pulled together, is no stranger to Grand Slam glory.

But unless you live for junior tennis or hail from Bay Shore, New York, the name of the second American to advance will not stir much recognition.

He is Chris Garner, and he is a qualifier, which makes him the Christian in a main draw full of lions. Until Friday, his career had been little more than a string of disappointments...

The match was the first five-setter of Garner's five-year professional career, and like so many matches in Melbourne's oppressive summer heat, it did not fail to take a toll...

gles matches in 1992, losing two, as his ranking fell from 230 to 447. But with the added confidence of a successful year in doubles behind him, he has decided to play more singles in 1993.

By nightfall, he had been released and already had begun thinking about his fourth-round match on Sunday against No. 7 seed Petr Korda of the Czech Republic.

"I feel like I'm on a train at an amusement park, and the ride's not stopping," Garner said. "I'm just hanging on."

The ride began last week on the outside courts at the Australian Open, when Garner rallied from a one-set deficit to win the first of three matches in the qualifying rounds.

"The funny thing is that my mother was trying to convince me not to come down to Australia because our funds were running kind of low, and she felt there'd be too much pressure on me to do well," he said.

In the men's draw, Korda held off rising star Andrei Medvedev of Ukraine 6-4, 4-6, 6-3, 7-6 (7-5), to reach the fourth round here for the first time in four attempts.

Other women who advanced to the fourth round included No. 3 seed Gabriela Sabatini of Argentina, Gigi Fernandez of the United States and Julie Halard of France, who upset 16th-seeded Zina Garrison-Jackson, 6-4, 7-5.

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From England, An Invitation to a Scrum for Clinton

LONDON — English rugby officials are hoping for a reunion with a former Oxford player who went on to bigger things in the United States: President Bill Clinton.

Chris McCooy, 43, who introduced Clinton to the sport almost 25 years ago, told the Daily Mail newspaper on Friday that he would issue an invitation to the president to play for his Tisbury Wells club.

McCooy was secretary-captain of the University College second team during the two years that Clinton studied at Oxford.

He said he remembered Clinton as "fairly unfit and not at all athletic," but that he "had quite an appetite for the game and he was an excellent member of the good fun, so it didn't matter about his skills."

Clinton will also be invited by the English Rugby Football Union to watch an international match at the Twickenham stadium in London.

Swiss Bournissen Wins Icy Women's Downhill

HAUS, Austria — Chantal Bournissen of Switzerland won her second World Cup downhill of the season on Friday in a race marred by bad falls.

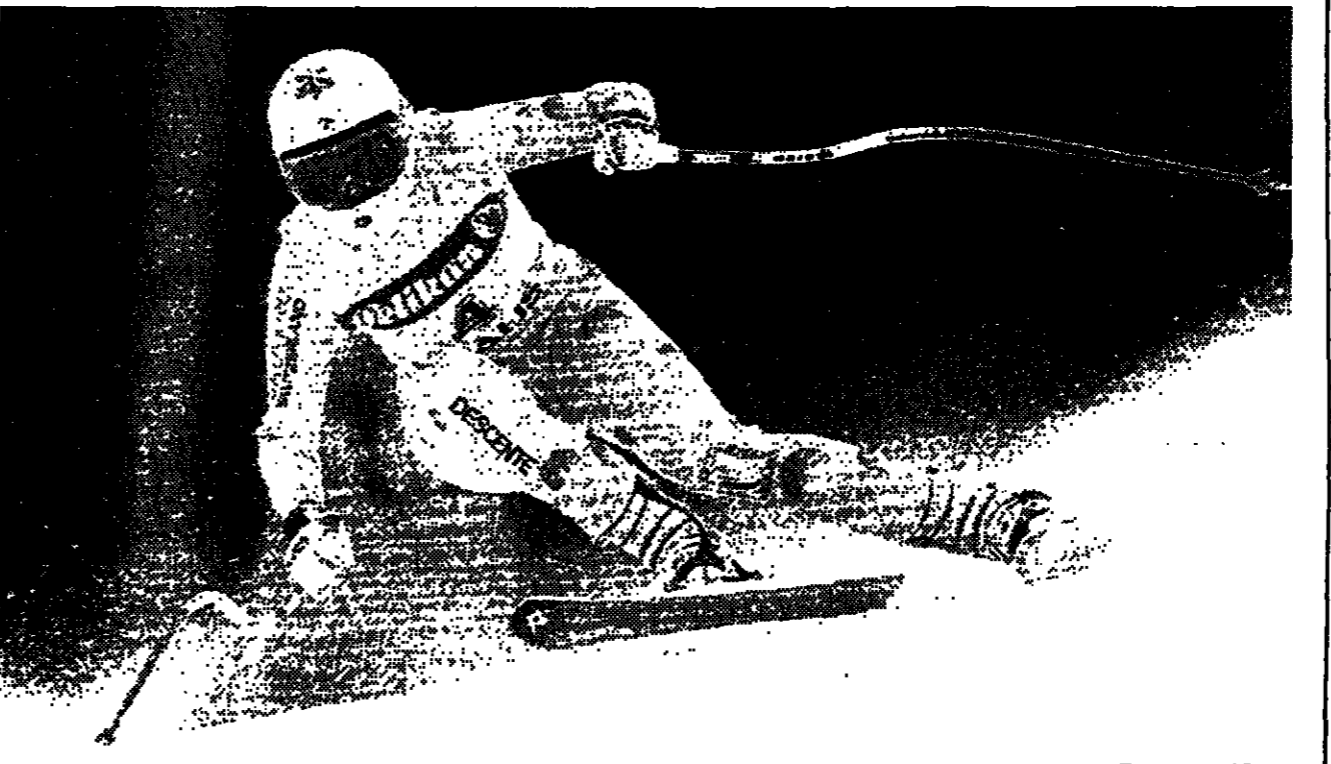
Bournissen, a winner in Lake Louise, Canada, in December, raced the icy 3,046-meter (3,318-yard) Krummholtz course in one minute, 42.64 seconds to claim the seventh victory of her career and maintain her bid for the downhill World Cup.

Sabine Günther of Austria clocked 1:42.86 for third place. The overall downhill leader, Katja Seizinger of Germany, finished fourth in 1:43.13.

Crashes by Hilary Lindh of the United States and Kate Pace of Canada twice caused 20-minute delays while workers reset safety barriers. Lindh, the Olympic downhill silver medalist, slid off a curve near the top of the course and tumbled through a safety net.

She was airlifted from the course by helicopter. She was later released from a local hospital, suffering from a sprained right knee.

Pace careened off the course within sight of the finish line. She broke her left wrist, which will be in a cast for four to six weeks. Barbara Sadleir of Austria, third in last weekend's downhill, fell just before the finish line, crashing into the safety barrier. Her team said she suffered a concussion and extensive bruises.



Chantal Bournissen of Switzerland racing on Friday to her second World Cup downhill victory of the season, in Haus, Austria.

IAAF Compromises on Prize Money

JAKARTA (Combined Dispatches) — The International Amateur Athletic Federation on Friday sought to head off a boycott of the world championships in Stuttgart with a compromise agreement that would allow national federations to reward competitors for their performances.

The IAAF rejected demands by leading athletes for prize money at the August world championships, but agreed to give \$7.5 million to national federations with their blessing to give it to medal winners. The move, made Friday at an IAAF meeting here, effectively passes the issue of prize money to the national federations.

But the IAAF's president, Primo Nebiolo, clung to his principle that athletes may not receive direct prize money for participation in world championships or the Olympics. The IAAF will give federations \$1,000 per athlete at the championships, and the body's secretary-general, Istvan Gyulai, said that if federations "think they are free to do so." But he added that "the principle of offering prize money has been rejected."

Earlier Friday, the IAAF rejected a Yugoslav request that a ban be lifted on its athletes' participation in international competitions. Gyulai said the suspension would continue until United Nations sanctions against Yugoslavia were lifted. The sanctions were imposed in response to fighting that broke out in March after Muslims and Croats declared independence from Serb-dominated Yugoslavia.

Japan to Allow More Foreign Horses

TOKYO (Reuters) — Japan, under pressure to allow foreign thoroughbreds to compete in its lucrative horse races, will open up three more races by 1995, the Japan Racing Association said on Friday.

A spokesman for the government-supervised organization said the decision to open three more graded races between 1994 and 1995 was part of plans to allow foreign runners to compete in Japan's 12 big races by 1999. He did not say what races would be opened to foreign mounts.

Responding to pressure from the United States, Australia and New Zealand, the association announced in November that the Yasuda Memorial race would be the second race opened this year, after the Japan Cup.

SCOREBOARD

BASKETBALL

Table with columns for Eastern Conference, Atlantic Division, Central Division, and Western Conference, listing teams and scores.

Major College Scores

Table listing major college basketball scores, including Duke vs. Carolina, Duke vs. North Carolina, and others.

HOCKEY

NHL Standings

Table showing NHL standings for the Wales Conference and Patrick Division.

CAMPBELL CONFERENCE

Table showing Campbell Conference NHL standings.

TRANSACTIONS

MINNESOTA — Agreed to 2-year contract with Mark Gubic, pitcher, and 1-year contract with Mike Hartley, pitcher.

SEATTLE — Agreed to 2-year contract with Mark Gubic, pitcher, and 1-year contract with Mike Hartley, pitcher.

DETROIT — Agreed to 1-year contract with Dick Schofield, shortstop, and 1-year contract with Tony Cozzillo, shortstop.

CHICAGO — Injured Jose Benavides, infielder, and Eduardo Zamora, outfielder, to spring training as non-roster players.

CINCINNATI — Agreed to 1-year contract with Chris Sale, third baseman, and 1-year contract with Joe Oliver, catcher.

WASHINGTON — Agreed to 1-year contract with Bill Doran, second baseman, to fill void of Bill Doran, second baseman.

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Akebono Keeps Share of Sumo Lead

TOKYO (AP) — Akebono pushed out Kotonishiki and shared the lead with the lower-ranked Daishoyama, who beat Kotonishiki on Friday in the New Year Grand Sumo Tournament.

With two days left in the 15-day tourney, Akebono, the American ozeki, or champion, and Daishoyama, the No. 14 maegashira, or senior wrestler, were tied at 11-2. Takahanada, a sekiwake, or junior champion, was one victory behind at 10-3, while the American ozeki Kotonishiki and the No. 14 maegashira Namahobane fell to 9-4.

Responding to pressure from the United States, Australia and New Zealand, the association announced in November that the Yasuda Memorial race would be the second race opened this year, after the Japan Cup.

For the Record

The former PGA champion John Daly, who has undergone alcohol rehabilitation treatment, will return to action on the pro golf tour next week in the Phoenix Open.

Jani Stevanec of Finland set a men's 200-meter individual medley short-course world record of one minute, 56.84 seconds at the Finnish national course world championships on Friday in Helsinki.

The Norwegian speedskater Johannes Olav Koss clipped nearly three seconds off his 5,000-meter world record at the European Championships on Friday with a time of 6 minutes, 38.77 seconds.

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DAVE BARRY

The, Ah, Winners

Miami—I hope you haven't had anything to eat recently, because, as promised last week, today I am presenting the winners of the Bad Song Survey. In analyzing these results, I had to make a few adjustments. For example, the Bob Dylan song "Lady Lay" would have easily won as Worst Overall Song, with 17,006 votes, except that I had to disallow 17,004 votes on the grounds that they were cast by my Research Department, Judi Smith, who tabulated the votes, and who HATES it. To win, a song had to be known well enough that a lot of people could hate it. This is a shame in a way, because some obscure songs are wonderfully hideous. One reader sent a tape of a song called "Hoody Sappericker" by a group called "Barbara and the Boys." This could be the worst song I've ever heard. It consists almost entirely of the boys singing "Hoody! Hoody! Hoody!" and then Barbara saying: "Howdy, Hoody Sappericker!" Without question, the voters' choice for Worst Song—in both the Worst Overall AND Worst Lyrics category—is "MacArthur Park," as sung by Richard Harris, and later remade, for no comprehensible reason, by Donna Summer. It's hard to argue with this selection. My 12-year-old son, Rob, was going through a pile of ballots, and he asked me how "MacArthur Park" goes, so I sang it, giving it my best shot, and Rob laughed so hard that when I got to the part about leaving the cake out in the rain, and it took so long to bake it, and I'll never have that recipe again, Rob was on the floor. He didn't BELIEVE those lyrics were real. The clear runner-up, again in both categories, is "Yummy Yummy Yummy (I Got Love in My Tummy)," performed by Ohio Express. (A voter sent me an even WORSE version of this, performed by actress Julie London.) Coming in a strong third is "You're Having My Baby," by Paul Anka. This song is deeply hated. As one voter put it: "It has no redeeming value whatsoever—except my friend Brian yelled out during the birth scene in the sequel to 'The Fly,' in full song, 'Having my megga!'" Honorable mention goes to Bobby Goldsboro, who got many votes for various songs, especially "Honey." One voter wrote: "Why does everybody hate Bobby Goldsboro's 'Honey'? I hate it too, but I want to know WHY." Why? Consider this verse: She wrecked the car and she was sad, and so afraid that I'd be mad, but what the heck, tho' I pretended hard to be, guess you could say she saw through me, and hugged my neck. A recent song that has aroused great hostility is "Achy Breaky Heart," by Billy Ray Cyrus. According to voter Mark Freeman, the song goes like this: You can tell my lips, or you can tell my hips, or you're going to dump me if you can, but don't tell my liver, it never would forgive her, it might blow up and circumcise this man! Many voters feel a special Lifetime Bad Achievement Award should go to Mac Davis, who wrote "In the Ghetto," "Watching Scotty Grow" AND "Baby Don't Get Hooked on Me," which contains one of the worst lines in musical history: You're a hot-blooded woman-child, and it's warm where you're touching me. That might be as bad as the part in "Careless Whisper" where George Michael sings: I'm never gonna dance again, guilty feet have got no rhythm. Speaking of bad lyrics, many voters also cited Paul McCartney, who, ever since his body was taken over by a pod person, has been writing things like: Someone's knockin' at the door, somebody's ringin' the bell, (repeat): do me a favor, open the door, and let him in. In closing, let me say that you voters have performed a major public service. Let me also say I am very relieved to learn there are people besides me who hate "Stairway to Heaven." Thank you. P.S. Also "I Shot the Sheriff." Knight-Ridder Newspapers

Jane Bunnett on Sax: The Spirit of Havana

By Mike Zwerin International Herald Tribune PARIS—Jane Bunnett has been studying the music of Thelonious Monk with Steve Lacy in Paris ("between lots of wine, cheese and baguettes") on a grant from the Canada Arts Council, a hip grant indeed. And she won the Down Beat magazine critics poll in the soprano saxophone Talent Deserving Wider Recognition category. She plays good for a girl. Appreciate the extent of the retreat of sexism in the macho world of jazz by considering that not long ago the preceding sentence could have been written as a simple compliment, a statement of fact without humor or irony. It might have been the point of the piece. It leaves us free to investigate content rather than form, in this case Cuban music. Bunnett is currently visiting Cuba for the 13th time. Before leaving, she explained: "Canada exported a lot of cows and tractors down there. They like Canadians." A Canadian export herself (she's likable), she is also paying back cultural debts by adding value to the product for re-export. Her album "Spirits of Havana" (Denon), recorded in Cuba in 1991 by a Canadian company, is available abroad. And she arranged to bring a troupe of Cuban musicians to Toronto last summer. This sort of personalized contact would have been impossible for U.S. musicians. Even Dizzy Gillespie, who blew montunos worldwide and was a hero there, had to fight prejudicial bureaucracies on both sides in order to play with Cubans. In any case, the product in question goes way beyond bebop. Cuban rhythms gave birth to dance crazes such as the Charleston, the Black Bottom, rumba, cha-cha and mambo, and had a key influence on Delta blues, rhythm and blues, and boogie-woogie. Some boogie-woogie "rocks" are descendants of Cuban bass riffs called bambas. Jimmy Yancey and Professor Longhair played bambas with the left hand and blues on top. Jelly Roll Morton said that the Cuban element, "he called it 'the Spanish tinge'"—in his music was as essential to "true jazz" as the blues. The hit song "Louie Louie" was based on an obscure Cuban cha-cha. In an article titled "The Cuban Connection" in Spin magazine, Robert Palmer quotes the Cuban trumpeter/bandleader/gu-nu Mario Bauza: "The Cubans, we came here and changed your American music from the bottom up! And nobody knows this!" He is shouting: "NOBODY WRITES ABOUT THIS! Whap! Whap! The Latin music writers they write about 'salsa' style, the 'salsa' sound. There is no such thing! Salsa is nothing but 30-year-old Cuban music with a new name. We changed everything." "They couldn't sell 'Afro-Cuban' music," Bunnett confirmed. "Those are two 'naughty' words. Not very commercial. So they named it 'salsa.' I had been playing with salsa bands back in Toronto, but it was on-the-surface stuff. I wanted to find the heartbeat of the thing." Eight years ago, Bunnett and her companion and collaborator, the trumpeter/composer Larry Cramer, stumbled upon an ad for a cheap all-expenses-paid two weeks in Cuba. Instead of Havana, they went to Santiago de Cuba, at the other end of the island. It is the center of Yoruban music, which was brought from West Africa by slaves along with the Santeria religion. The liner notes for "Spirits of Havana" explain: "This is about Cuban music from the carnival drum orchestras called comparsas to the conservatories to the dance floor, from the most virtuosic jazz improvising to the deep spirituality of the Santeria drumming and chants that call down the Orishas," the enduring African gods of the Yoruba diaspora. "Havana is more sophisticated, the music scene is bigger and more varied," Bunnett said. "But if you really want to get the heart of Cuban music, Santiago is the place. There was this 18-piece band playing when we got off the bus. Bands played every night. I was totally blown away. In Santiago, people dance and play music in the streets until 5 A.M." Returning to Cuba once or twice a year to meet musicians and make field recordings, she befriended Guillermo Barreto who had played drums with Nat Cole, Sarah Vaughan, Stan Getz and other American stars who worked the casinos before the revolution. He was married to the singer Mercedes Valdés, the most renowned interpreter of Lucumi, the traditional Yoruba liturgical hymn. They both perform on "Spirits of Havana," and Barreto co-produced it but died before it was released. Hoping to get to the heart of the music without changing it, Bunnett added harmony to Yoruban vocal and percussion chants and opened sections for solos. Barreto would come running up to her and say, "Play more Cuban!" "I can't," she'd reply. "I'm not Cuban." She did not want to "do a sort of Paul Simon thing where all the elements are watered down. What we found so exciting is the intensity, we wanted to keep that." Three outstanding pianists helped her get astonishingly close to her goal. Hilario Duran can play barrelhouse with what old-timers call "the left hand of God." Frank Emilio is a sort of Cuban Art Tatum. Gonzalo Rubalcaba travels widely except in the United States and has built an international reputation by combining sensitivity with technique in a streamlined context. Bunnett is discussing a second recording with Duran. Judging from the first one, this is no simple matter. Sponsored by the Canadian Broadcasting Corporation, "Spirits of Havana" took three years to put together. "Ever try to fax Cuba?" she asked. "Once we couldn't get through for weeks so we flew from Toronto and here we were all these people standing around the fax machine. It was like, 'Hey, guys, there's no paper in it.'" Then the CBC decided to pull out: "They said there had been big budget cutbacks and they didn't know where they could find the money. There are good studios in Cuba but equipment wears out and they can't get spare parts because of the embargo. So we were going to take some expensive hardware down with us. We had committed ourselves. We had given news conferences in Havana and all the print and radio reporters covered it. It was exciting for them. It was an export they could be really proud of. So I went to the CBC and screamed. I really screamed loud. It went back on track." When it was done, Barreto paid her the supreme compliment: "I just couldn't believe she wasn't Cuban," he told the press. Oh yes—he also told her: "You play like a man."



Saxophonist Bunnett: "Ever try to fax Cuba?"

PEOPLE

Disney's Right to 'Rite' Contested by Publisher

In the Walt Disney film "Fantasia," music from Igor Stravinsky's "Rite of Spring" is played during the creation of the Earth, the demise of the dinosaurs, and the birth of civilization. Now comes the one thing that seems to have been left out: a lawsuit. Stravinsky's publisher is contending that the Walt Disney Co. did not have the right to use "Rite of Spring" in the best-selling videocassette version of "Fantasia." Jody Pope, a lawyer for Boosey & Hawkes, said that Stravinsky, who died in 1971, gave the studio permission to use "Rite of Spring" only in the context of a film to be shown in theaters. The publishers are asking for more than \$200 million in damages. A Disney spokesman declined to comment.

Prince Charles's relationship with a married woman has sullied the monarchy's reputation but most Britons think he should still become king, according to an opinion poll published on Friday in the Daily Express. Of those questioned for the ICM survey, seven out of 10 said the publication of an intimate telephone conversation between the prince and friend Camilla Parker-Bowles had damaged the monarchy. But 59 percent were in favor of Charles succeeding his mother, Queen Elizabeth II.

Japanese opera buffs, known for their willingness to pay big money for tickets, will have a chance to splash out as much as \$8,000 yen (\$640) for a seat when Spanish tenor Carlos Carreras visits Tokyo. That is the going rate at a charity concert planned for March, the proceeds of which will go toward the fight against leukemia. Carreras himself recovered from leukemia in 1988.

Film star Audrey Hepburn will be buried on Sunday in the small Swiss village where she lived for nearly 30 years. Hepburn died on Wednesday aged 63 in Tolochenaz, outside Lausanne and overlooking Lake Geneva.

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WEATHER

Weather forecast section including maps of Europe, North America, and Asia, along with temperature and precipitation data for various cities. Includes a section for 'Forecast for Sunday through Tuesday' with weather icons and descriptions.

No Men Allowed By Joy L. Wouk

Crossword puzzle section with a grid and clues. Clues include: 1 Do some gardening, 6 'Nash's' home in Calif., 9 Capture, 12 Stagehand, 16 Subject of a C. Wells limerick, 17 Yr. obdt., 18 Verbs, 20 Football cheer, 21 City north of East St. Louis, 22 Caen's river, 23 Corolla part, 24 Derpids, 25 PHYSICAL-EDUCATION MOTTO, 29 Roll-call reply, 30 Caviar, 31 Composer Janacek, 32 Fr. holy woman, 33 Canine examiner's deg., 36 Seven-inning diamond game, 38 CHANNEL BETWEEN WALES AND ENGLESEY ISLAND, 40 Exhaust gradually, 43 Ignited, 44 K-O connection, 45 Similar: Comb. form, 46 '... ALL EQUAL...', 48 WESTERN MOST POINT OF CALIF., 51 Rhine delta port, 52 Ciquefoi feature, 53 Cashiered, 54 Sigmund Freud's 1979 Weaver hit, 55 Melodious, 57 Slip, 59 'THE LORD IS WITH THEE.', 67 Draft agent, 68 'Meropé' poet, 69 Former Spanish port, 70 Least furnished, 75 For, 76 Certain mathematicians, 78 PITTSBURGH-BORN ACTOR: 1890-1963, 81 BANANA-ADDRESS ACTRESS, 82 Inventor Nikola, 83 Winery feature, 84 Lap dog, 86 Comedian Kaye, 88 'On a ...', 89 Lerner-Lane musical, 88 Nautical ropes, 91 Possesses, 92 The smart set, 93 Kind, 94 Escorial seafaring, 95 Butter units, 99 DONIZETTI 'THE', 103 On the horizon, 106 Tower, Chicago, 107 —a's, 108 Muse for Pindar, 109 Glaze for cloth, 110 —Bell (Emily Brontë), 111 Malay sir, 112 Madison Ave. denizen, 113 Cognize, 114 Deceur, 115 Upward bend in timber, 116 New York mayor: 1784-89, DOWN, 1 Hiding place, 2 Peas and beans, 3 Perfume base, 4 Fictional Lorna, 5 Soprano Berger, 6 Three rhyming lines, 7 Pisa's river, 8 Covered, 9 U.S. mental-hygiene movement founder, 10 Der (Adenauer), 11 Window-envelope material, 12 Kind of sandwich, 13 Arkans., 14 Adverse, 15 Rope strand, 17 What it means, 18 Bobbin, 19 Blind parts, 26 One who mangles, 27 Hide, 28 Pic de—, highest of the Pyrenees, 23 Therewith, in Darmstadt, 34 Chemical compound, 35 Lost a lap, 36 Circe et al., 37 To turn pale, in Blois, 38 Elec. unit, 39 Fabulous birds, 40 Amusing, 41 Make a new knot, 42 Parts of "Phèdre", 44 Varnish ingredient, 46 Omani, e.g., 47 Coarse fibers, 48 Gogol's "Bulba", 49 An Eisenhower doctor: 1956, 50 Campus building, for short, 52 Houston player, 53 Hokkaido port, 57 Swiss mathematician: 1707-83, 58 Polish city, 60 Tallinn native, 61 Type of reproduction, 62 Gluck creations, 63 Soviet dissident-author Shadransky, 64 Senator-astronaut, 65 Verbose, 66 Thessalian mountain, 70 Lot, 71 Author Turin, 72 Derby winner's wreathe, 73 Pronoun for the Pinta, 74 City in Laconia, 75 Cambodia's Poi, 77 Mean, 79 Gospels, 80 Johnny's successor on TV, 81 Twists, 84 Young salmon, 87 Drench, 88 Loamy deposit, 89 Errant, 90 She often starred with 99, 93 Runway, 95 Concealed, 96 Old World lizard, 97 Largest moon of Saturn, 98 He wrote "Last for Life", 99 Actor John—, 1853-1927, 100 Nimbus, 101 Hawthorne's was marble, 102 Pursued, 103 Invite, 104 Pinnacle, 105 Kind of dye

BOOKS

LOUIS AUCHINCLOSS: A Writer's Life By Carol Gelderman. 287 pages. \$25. Crown. THREE LIVES By Louis Auchincloss. 213 pages. \$21.95. Houghton Mifflin. Reviewed by Arthur Krystal I F sheer numbers of books are any indication of a writer's seriousness, then Louis Auchincloss has been misjudged by the critics. Since 1947 he has published 50 books—novels, short-story collections, biographies of Edith Wharton, Richeieu and J. P. Morgan—a considerable accomplishment for any writer, let alone a practicing attorney. Output, of course, is no guarantor of seriousness, yet Auchincloss, as even his detractors will concede, is not only versed in literary history but intent on carving out a place in it. So why do so few critics take him seriously? Even when a novel of his has met with general approval—"The Rector of Justin" was nominated for both a Pulitzer Prize and a National Book Award in 1964—some reviewers could not get past Auchincloss's fixation on WASP society. Too small, too narrow, too removed from the hurly burly of "real" life, they protested. "To fault Auchincloss for what he writes is to blame him for who he is; he is no more responsible for his background than a writer born and raised in a barrio, a ghetto or on a reservation. As to who he is, one gets a decent enough glimpse in Carol Gelderman's biography, "Louis Auchincloss: A Writer's Life." But Gelderman, who has given us biographies of Henry Ford and Mary McCarthy, appears in this case to have no feel for the essential detail. Everything gets tossed into the pot, bland observation along with telling insight. One is never sure that someone deserves a full-length biography until a really good one appears. Gelderman's is not such a book. There are useful summations of Auchincloss's major novels, but much of the time she seems to be scrambling for things to say. Auchincloss is one of the few novelists around who openly asks the question: How should one live? "Three Lives," his collection of novellas, is no exception. Written in the form of three memoirs, the book illustrates the consequences of coming to grips with one's true nature. Arthur Krystal, who frequently writes about contemporary literature, wrote this for The Washington Post.

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